

Internal Revenue Service

Number: **200944026**

Release Date: 10/30/2009

Index Numbers: 355.01-00, 368.04-00

Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:CORP:B04

PLR-150391-08

Date: June 29, 2009

Legend

Distributing 1 =

Distributing 2 =

Distributing 3 =

Distributing 4 =

Distributing 5 =

Controlled 1 =

Controlled 2 =

Controlled 3 =

Controlled 4 =

Controlled 5 =

Sub 1 =

Sub 2 =

Sub 3 =

Sub 4 =

Sub 5 =

Sub 6 =

Sub 7 =

Sub 8 =

Sub 9 =

Sub 10 =

Sub 11 =

Sub 12 =

Sub 13 =

Sub 14 =

Sub 15 =

Sub 16 =

Sub 17 =

Sub 18 =

Sub 19 =

Sub 20 =

Sub 21 =

Sub 22 =

Sub 23 =

Sub 24 =

Sub 25 =

Sub 26 =

Sub 27 =

Sub 28 =

Sub 29 =

Sub 30 =

Sub 31 =

Sub 32 =

Sub 33 =

Sub 34 =

Sub 35 =

Sub 36 =

PLR-150391-08

5

Sub 37 =

Sub 38 =

Sub 39 =

Sub 40 =

Sub 41 =

Sub 42 =

Sub 43 =

Business A =

Business B =

Business C =

Business D =

Business E =

Business F =

Business G =

Business H =

Business I =

Distributing 3 Contributed Businesses =

Distributing 2 Contributed Businesses =

Division A =

Division B =

Asset A =

Country A =

Country B =

Country C =

Country D =

Country E =

Country F =

Country G =

Country H =

Country I =

Country J =

Country K =

Country L =

Country M =

Country N =

Country O =

Country P =

Country Q =

Country R =

Country S =

Country T =
Stock Exchange 1 =

aa =

bb =

cc =

dd =

ee =

ff =

gg =

hh =

ii =

jj =

kk =

ll =

mm =

nn =

oo =

pp =

qq =

rr =

ss =

tt =

uu =

vv =

ww =

xx =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

Date 6 =

Date 7 =

Date 8 =

Date 9 =

Date 10 =

Dear :

This letter responds to your November 25, 2008 request for rulings as to the federal income tax consequences of a series of proposed and partially completed transactions (hereinafter, collectively, the "Proposed Transactions"). The information submitted in that request and in later correspondence is summarized below.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed

by an appropriate party. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process. Moreover, this office has not reviewed any information pertaining to, and has made no determination regarding, whether the Distributing 5 Distribution, the Distributing 4 Distribution, the Distributing 3 Distribution, the Distributing 2 Distribution and the External Distribution (each defined herein): (i) satisfy the business purpose requirement of § 1.355-2(b) of the Income Tax Regulations, (ii) are being used principally as a device for the distribution of earnings and profits of either Distributing 5, Distributing 4, Distributing 3, Distributing 2, Distributing 1, Controlled 5, Controlled 4, Controlled 3, Controlled 2 or Controlled 1 or any combination thereof (see § 355(a)(1)(B) of the Internal Revenue Code (the “Code”) and § 1.355-2(d)), or (iii) are part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50% or greater interest in Distributing 5, Distributing 4, Distributing 3, Distributing 2, Distributing 1, Controlled 5, Controlled 4, Controlled 3, Controlled 2 or Controlled 1 (see § 355(e) and § 1.355-7).

Summary of Facts

Distributing 1 is a publicly traded corporation and the common parent of an affiliated group of corporations that files a consolidated federal income tax return. Distributing 1 has a single class of voting common stock outstanding (the “Distributing 1 Common Stock”) which trades on Stock Exchange 1. Distributing 1, through its subsidiaries, engages in Business A and Business B. Distributing 1 has outstanding indebtedness including long-term obligations and short-term borrowings (collectively, the “Distributing 1 Debt”). Based on recent filings with the Securities and Exchange Commission, Distributing 1 may have aa shareholders that own five percent or more of the outstanding Distributing 1 Common Stock. Such shareholders do not actively participate in the management of Distributing 1.

Distributing 1, among other things, owns all of the outstanding stock of Distributing 3, Sub 1, Sub 3 and Sub 4, all of the outstanding equity interests of Sub 2 and Sub 5 (a limited liability company treated as a corporation for federal income tax purposes), as well as approximately bb% of the stock of Distributing 2 and cc% of the stock of Sub 6 (a Country A corporation). Sub 7, a wholly-owned subsidiary of Distributing 1, owns the remainder of the stock of Distributing 2.

Distributing 3, among other things, owns dd% of the stock of Sub 8 and ee% of the common stock and all of the non-voting preferred stock of Distributing 4.

Sub 2 (a Country B limited liability partnership treated as a corporation for federal income tax purposes) wholly owns Sub 37 (a Country S corporation) and dd% of the stock of Sub 9 (a Country B corporation treated as an entity disregarded from its owner for federal income tax purposes). Sub 9, in turn, owns dd% of the stock of Sub 10 (a

Country C corporation), Sub 11 (a Country B corporation), Sub 12 (a Country C corporation), and Sub 13 (a Country D corporation). Each of Sub 10, Sub 11 and Sub 12 is treated as an entity disregarded from its owner for federal income tax purposes.

Sub 4 owns dd% of the membership interests in Sub 14 (a liability company treated as an entity disregarded from its owner for federal income tax purposes).

Distributing 2, among other things owns dd% of the stock of Sub 15, dd% of the membership interests of Sub 16 (a limited liability company treated as a corporation for U.S. income tax purposes) and cc% of the common stock of Distributing 4, as well as certain assets related to Business C (a component of Business A). Sub 15, in turn, owns dd% of the stock of Sub 17, as well as certain assets related to Business C and the Distributing 2 Contributed Businesses. Distributing 2 is and has been directly engaged in Business D (a component of Business C) and Business E (a component of Business B) for the past five years.

Sub 8, among other things, owns the Distributing 3 Contributed Businesses (a component of Business B), dd% of the membership interest of Sub 18 (a limited liability company treated as an entity disregarded from its owner for federal income tax purposes), ff% of the stock of Sub 19 (a Country E corporation), cc% of the stock of Sub 20 (a Country F corporation), and cc% of the stock of Sub 21 (a Country F corporation). Sub 8 is and has been directly engaged in Business H (a component of Business A) and Business I (a component of Business B) for the past five years.

Distributing 4, among other things, owns dd% of the stock of Distributing 5, dd% of the stock of Sub 22 (a Country H corporation), ee% of the stock of Sub 20, ee% of the stock of Sub 21, dd% of the stock of Sub 23 (a Country I corporation), gg% of the stock of Sub 24 (a Country J corporation), hh% of the stock of Sub 19 and ii% of the stock of Sub 25 (a Country K corporation). Sub 24 wholly owns Sub 34 (a Country J corporation treated as an entity disregarded from its sole owner for federal income tax purposes).

Distributing 5 (a Country G corporation), among other things, owns dd% of the stock of Sub 26 (a Country I corporation), Sub 27 (a Country L corporation), Sub 28 (a Country K corporation), Sub 29 (a Country M corporation), Sub 30 (a Country N Corporation), Sub 31 (a Country O corporation), Sub 32 (a Country P corporation), as well as jj% of the stock of Sub 24. Each of Sub 26, Sub 27, Sub 29, Sub 30, Sub 31 and Sub 32 is treated as an entity disregarded from its owner for federal income tax purposes. Distributing 5 is and has been directly engaged, as determined for U.S. federal tax purposes, in Business F (a component of Business A) and Business G (a component of Business B) for the past five years.

Distributing 1's U.S. cash management system is centrally managed. Cash generated by Distributing 1's various domestic subsidiaries, through a sweeping process, is loaned by each subsidiary to Distributing 1. To meet the cash needs of the

subsidiaries, the subsidiaries are deemed to draw on their receivable from Distributing 1 or, to the extent their cash requirements exceed the receivable, the subsidiaries borrow funds from Distributing 1. Given the commercial relationships that exist among Distributing 1 and its subsidiaries, intercompany trade payables and receivables are regularly created in the ordinary course of business. Pursuant to Distributing 1's policies, trade payables and receivables among U.S. entities are settled according to the terms of the underlying transactions, employing the Distributing 1 cash management system described above.

In connection with the Proposed Transactions, the following entities were formed or acquired (as the case may be): (i) Controlled 5 (a Country G corporation) was a shelf company that was acquired on Date 1 by Distributing 5, (ii) Controlled 1 was formed on Date 2 by Distributing 1, (iii) Controlled 4 was formed on Date 2 by Distributing 4, (iv) Controlled 3 was formed on Date 2 by Distributing 3, and (v) Controlled 2 (a limited liability company) was formed on Date 3 by Distributing 2 and has elected to be treated as a corporation for federal income tax purposes.

Financial information has been submitted which indicates that Business D, Business E, Business F, Business G, Business H and Business I each has had gross receipts and operating expenses representing the active conduct of a trade or business for each of the past five years.

Distributing 1's management believes that the separation of Business A from Business B (the "Separation") will serve a number of corporate business purposes, including (i) reducing the competition for capital that currently exists between Business A and Business B, (ii) improving management "fit and focus," including sharpening management focus and strategic vision, providing the flexibility needed to respond more effectively to customer needs and a changing economic environment and enhancing the success of the businesses by enabling them to resolve management, systemic or other problems that arise or are exacerbated by Distributing 1's operation of Business A and Business B within a single affiliated group, and (iii) enhancing employee hiring, retention and morale by, among other things, improving the alignment of management and employee incentives with performance and growth objectives.

In connection with the External Distribution, Distributing 1 and Controlled 1 and certain of their respective subsidiaries will enter into certain agreements relating to the Separation and certain continuing business relationships between Distributing 1 and Controlled 1 (all such agreements and the subject matter thereof collectively referred to as the "Intercompany Agreements"). The Intercompany Agreements include, among others, agreements related to the Proposed Transactions (primarily the Separation Agreement) (described below), the Tax Matters Agreement (described below), a transition services agreement, and agreements relating to ongoing arrangements between entities engaged in Business A and Business B. The Intercompany Agreements will include: (i) the provision of services such as distribution, manufacturing

and packaging the terms and conditions of which will be determined at arm's length, (ii) lease payments determined at arm's length and in some instances on terms similar to those contained in the primary lease agreement and (iii) royalty-free and royalty bearing licenses.

Distributing 1 and Controlled 1 will enter into the Separation Agreement, which will contain the key provisions required to effectuate the External Distribution. The Separation Agreement will obligate the parties thereto to transfer assets and liabilities between Distributing 1 and Controlled 1 in order to achieve the desired allocation of assets and liabilities in the External Distribution, and will describe when and how these transfers, assumptions, and assignments have occurred or will occur. The Separation Agreement will also provide for cross-indemnities principally designed to place financial responsibility for the obligations and liabilities of Business B with Controlled 1 and financial responsibility for the obligations and liabilities of Business A with Distributing 1, in each case with respect to obligations and liabilities that arose in or relate to periods (or portions thereof) ending on or before the date of the External Distribution.

Distributing 1 and Controlled 1 will enter into a tax matters agreement (the "Tax Matters Agreement"), which will govern the parties' respective rights, responsibilities and obligations with respect to taxes, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and assistance and cooperation in respect of tax matters. The Tax Matters Agreement will also contain restrictions on Controlled 1's ability (and the ability of any member of its group) to take actions that could cause certain steps of the Proposed Transactions to fail to qualify as tax-free for federal income tax purposes.

The Proposed Transactions

In order to facilitate the External Distribution and to separate the relevant entities and operations that comprise Business A from Business B, the following series of preliminary restructuring steps (the "Preliminary Restructuring") will be undertaken:

I. The Preliminary Restructuring

The Country B Stock Transfer

(i) Sub 9 will sell all of the stock of Sub 10, Sub 11, Sub 12 and Sub 13 (collectively, the "Sub 9 Subsidiaries" and the sale of Sub 13, the "Stock Transfer") to Sub 34 for cash in an amount equal to the fair market value of such stock.

The Distributing 5 Restructuring

(ii) In connection with the Distributing 5 restructuring, on Date 4, Sub 26 formed Sub 35 as a wholly-owned Country I corporation and elected to treat Sub 35 as

an entity disregarded from its sole owner for federal income tax purposes. Sub 26 will contribute the assets and liabilities of Division A, operating in Country Q, to Sub 35.

(iii) Sub 27 is in the process of being liquidated pursuant to Country L law and in connection with such liquidation the stock of Sub 26 owned by Sub 27 was transferred to Distributing 5.

(iv) Sub 26 will distribute, under applicable Country I law, the stock of Sub 35 to Distributing 5.

(v) Sub 28 will sell its kk% interest in Sub 33 to Distributing 5 for cash in an amount equal to the fair market value of such interest.

(vi) On Date 5, Distributing 5 formed Sub 36 as a direct wholly-owned subsidiary in Country K. Sub 28 will transfer to Sub 36 approximately aa of its employees that perform functions related to Business B along with an insignificant amount of assets.

(vii) Sub 26, through its Division B, holds outstanding loan receivables (the "Division B Receivables") from Sub 2 in the amount of approximately ll and from Sub 37 in the amount of approximately mm. Sub 26 will distribute the Division B Receivables to Distributing 5, its direct parent.

(viii) Sub 34 holds an outstanding loan receivable (the "Sub 34 Receivable") from Sub 38 (a Country R corporation and an indirect subsidiary of Distributing 4) in the amount of approximately nn. Sub 34, in turn, is indebted to Distributing 5 in the approximate amount of oo (the "Distributing 5 Receivable"). Distributing 5 will acquire the Sub 34 Receivable from Sub 34 in exchange for cancellation of the Distributing 5 Receivable plus cash or a note (or both) that will, in total, equal the fair market value of the Sub 34 Receivable.

(ix) Distributing 5 will contribute all the stock of Sub 28, Sub 29, Sub 30, Sub 31, Sub 32 and Sub 35, as well as the Division B Receivables and the Sub 34 Receivable to Controlled 5 in exchange for additional shares of Controlled 5 stock (the "Distributing 5 Contribution").

(x) In connection with the Distributing 5 Contribution, Controlled 5 will establish a representative office in Country T that will be treated as a branch of Controlled 5 for federal income tax purposes. An indirect foreign subsidiary of Distributing 5 will transfer approximately qq employees to the representative office and an insignificant amount of assets.

(xi) Distributing 5 will distribute, under applicable Country G law, the stock of Controlled 5 to its sole shareholder, Distributing 4 (the "Distributing 5 Distribution").

The Sub 8 Conversion

(xii) Sub 8 will convert under relevant state law to a limited liability company (the “Sub 8 Conversion”) and will be treated as an entity disregarded from its sole owner, Distributing 3, for federal income tax purposes effective as of the date of the Sub 8 Conversion.

The Distributing 4 Restructuring

(xiii) Distributing 4 will contribute the stock that it owns in Distributing 5, Sub 19, Sub 20, Sub 21, Sub 22, Sub 23, Sub 24 and Sub 25 to Controlled 4 in actual or constructive exchange for additional shares of Controlled 4 stock (the “Distributing 4 Contribution”).

(xiv) Controlled 4 will contribute the stock of Sub 24 owned by it to Distributing 5 in actual or constructive exchange for additional shares of Distributing 5 (the “Controlled 4 Contribution”).

(xv) Distributing 4 will distribute a number of shares (to be determined based on fair market value) of the stock of Controlled 4 to Distributing 2 in exchange for all of the stock of Distributing 4 held by Distributing 2. Distributing 4 will distribute the balance of the shares of the stock of Controlled 4 to Distributing 3 in respect of the stock of Distributing 4 held by it. (Such distributions to Distributing 2 and Distributing 3, collectively, the “Distributing 4 Distribution”.) In the Distributing 4 Distribution, Distributing 4 will distribute all of the stock of Controlled 4. Following the Distributing 4 Distribution, Distributing 3 will hold stock of Controlled 4 representing ownership of more than pp% of the single outstanding class of stock.

The Distributing 3 Restructuring

(xvi) Distributing 3 will form Sub 39 as a limited liability company that will be treated as an entity disregarded from its sole owner for federal income tax purposes. Sub 4 will merge under applicable state law into Sub 39 in a transaction intended to qualify as a reorganization under § 368(a)(1)(A). Thereafter, Sub 39 will distribute all of the membership interests of Sub 14 to Distributing 3.

(xvii) Distributing 3 will contribute the Distributing 3 Contributed Businesses together with all of the membership interests in Sub 18 and Sub 14, a ff% interest in Sub 19, a cc% interest in Sub 20, and a cc% interest in Sub 21 as well as certain intellectual property owned by Distributing 3 and related to Business B to Controlled 3 in actual or constructive exchange for additional shares of Controlled 3 stock (the “Distributing 3 Contribution”).

(xviii) Distributing 3 will distribute all of the stock of Controlled 3 (the “Distributing 3 A Distribution”) and all of the stock of Controlled 4 (the “Distributing 3 B Distribution,”

and together with the Distributing 3 A Distribution, the “Distributing 3 Distribution”) owned by it (representing in excess of pp% of the outstanding stock of Controlled 4), to its sole shareholder, Distributing 1.

The Distributing 2 Restructuring

(xix) Sub 5 will form Sub 40, as a limited liability company that will be treated as an entity disregarded from its sole owner for federal income tax purposes. Sub 5 will contribute Asset A to Sub 40. Sub 5 will sell its membership interests in Sub 40 to Sub 15 for cash in an amount equal to the fair market value of such interest.

(xx) Sub 15 will convert under applicable state law to a limited liability company (the “Sub 15 Conversion”) and will be treated as an entity disregarded from its sole owner, Distributing 2, for federal income tax purposes, effective as of the date of the Sub 15 Conversion.

(xxi) Distributing 2 will contribute the assets related to Business C directly owned by it, its interests in Sub 16 and Sub 17, and the Distributing 2 Contributed Businesses to Controlled 2 in actual or constructive exchange for additional membership interests in Controlled 2 (the “Distributing 2 Contribution”).

(xxii) Sub 7 will convert under applicable state law to a limited liability company (the “Sub 7 Conversion”) and will be treated as an entity disregarded from its sole owner, Distributing 1, for federal income tax purposes, effective as of the date of the Sub 7 Conversion. Prior to the Sub 7 Conversion, Sub 7 will contribute its cc% membership interest in (i) Sub 41 (a limited liability company treated as a partnership for federal income tax purposes) and (ii) Sub 42 (a limited liability company treated as a partnership for federal income tax purposes, to Sub 43 (a wholly owned subsidiary of Sub 7) (the “Sub 7 Contribution”).

(xxiii) Distributing 2 will distribute all of the membership interests of Controlled 2 to Distributing 1 (the “Distributing 2 Distribution”).

II. The External Distribution

(xxiv) Sub 3 will convert under applicable state law to a limited liability company (the “Sub 3 Conversion”) and will be treated as an entity disregarded from its sole owner, Distributing 1, for federal income tax purposes, effective as of the date of the Sub 3 Conversion.

(xxv) In connection with the External Distribution, the Business B cash management system will be separated from Distributing 1’s central cash management system and the intercompany debt accounts receivable and payable balances between Business B and Business A that arose from the operation of that system will be settled. Further, a centralized cash management system managed by Controlled 1 will be

created which will include all U.S. entities engaged in Business B. To effect such separation, in connection with the Distributing 1 Contribution (defined below), Distributing 1 will contribute to Controlled 1 its intercompany debt accounts receivable balances with each applicable U.S. entity engaged in Business B (the “Business B Receivables”) and Controlled 1 will assume Distributing 1’s intercompany debt account payable balances with each applicable U.S. entity engaged in Business B (the “Business B Payables”). Further, prior to the External Distribution, except with respect to the Division B Receivables and the Sub 34 Receivable, any non-U.S. intercompany debt accounts receivable or payable balances between entities engaged in Business B and entities engaged in Business A will be paid in full or otherwise settled.

(xxvi) Distributing 1 will contribute to Controlled 1 (the “Distributing 1 Contribution”), in actual or constructive exchange for additional shares of Controlled 1 Common Stock, the assumption of the Business B Payables and the Controlled 1 Cash Distribution (defined below), the Business B Receivables as well as all of the stock it owns in the following subsidiaries (i) Controlled 3, (ii) Controlled 4, (iii) Distributing 2, (iv) Sub 1 and (v) Sub 6. The Controlled 1 Common Stock will be subdivided and converted into that number of shares of Controlled 1 Common Stock necessary to effect the External Distribution.

(xxvii) In connection with the Distributing 1 Contribution, Controlled 1 will incur approximately rr of indebtedness by entering into and borrowing under a bridge bank credit facility. Such amount will be transferred to Distributing 1 (the “Controlled 1 Cash Distribution”) in connection with the Distributing 1 Contribution. Pursuant to the plan of reorganization that includes the Distributing 1 Contribution and the External Distribution, following the External Distribution, Distributing 1 will use the Controlled 1 Cash Distribution to make payments to Distributing 1’s creditors in repayment of Distributing 1 Debt. The Controlled 1 Cash Distribution will be used to repurchase a portion of Distributing 1 Debt from its current holders in a tender offer (or series of tender offers). Pending use of the Controlled 1 Cash Distribution to repay Distributing 1 Debt, Distributing will deposit the Controlled 1 Cash Distribution in a segregated account (the cash deposited in such segregated account is expected to be invested in money market funds or government funds). Distributing 1 will use a reasonable method to distinguish funds representing the Controlled 1 Cash Distribution from funds representing earnings attributable thereto. In all events, Distributing will use the entire amount of the Controlled 1 Cash Distribution to repay Distributing 1 Debt as promptly as practicable, but in no event later than one year after the External Distribution. Following the External Distribution, Controlled 1 expects to refinance the bridge loan on a permanent basis in the public markets. Alternatively, if market and other conditions permit, Controlled 1 may access the public markets, in the first instance, and thereby avoid a portion of the cost and expense of a bridge loan followed by a refinancing. Based on discussions among Controlled 1 and its investment bankers, such permanent financing may include the issuance by Controlled 1 of straight debt, debt convertible into

Controlled 1 Common Stock, other equity linked debt securities or a combination of the foregoing.

(xxviii) Controlled 1 will contribute the stock of Sub 1 to Controlled 3 (the “Controlled 1 Contribution”).

(xxix) Distributing 1 will distribute pro rata to the holders of Distributing 1 Common Stock at least ss% of the Controlled 1 Common Stock (the “External Distribution”) and retain (the “Retention”) up to tt% of the Controlled 1 Common Stock (the “Retained Stock”). The Retention is motivated primarily by the need to reduce the debt load and enhance liquidity for both Distributing 1 and Controlled 1 in order to ensure investment grade debt ratings for both companies, provide capital flexibility to enable both companies to achieve their strategic objectives, avoid increased future financing costs and avoid raising equity capital.

(xxx) If market conditions are conducive, Distributing 1, pursuant to the plan that includes the Distributing 1 Contribution and the External Distribution, may seek to transfer, in the manner described below, some or all of the Retained Stock to its creditors in one or more exchanges for existing Distributing 1 Debt (the “Debt-for-Equity Exchange”). Any such Debt-for-Equity Exchange will in no event be completed later than uu months after the External Distribution. Alternatively, or in addition, Distributing 1 may seek to sell the Retained Stock. In any event, any Retained Stock not disposed of in Debt-for-Equity Exchanges will be disposed of by Distributing 1 as soon as a disposition is warranted consistent with the business purposes of the Retention described above, but in no event later than five years after the External Distribution.

In order to facilitate any Debt-for-Equity Exchange, Distributing 1 expects that at least 14 days prior to the exchange described below, one or more financial institutions, acting as principals for their own account, would acquire Distributing 1 Debt in the marketplace. No sooner than five days after the financial institutions have acquired the Distributing 1 Debt and at least nine days prior to the exchange, Distributing 1 expects that it would enter into an exchange agreement with the financial institutions. Pursuant to the exchange agreement, a financial institution would agree to exchange an amount of Distributing 1 Debt for some or all of the Retained Stock at a time when the financial institution has held the Distributing 1 Debt as principal for its own account for at least 14 days. The exchange agreement would require the financial institution to deliver Distributing 1 Debt with an aggregate fair market value that approximates the fair market value of the Retained Stock to be transferred in exchange therefor on the date of the exchange. The value of the Retained Stock exchanged would be determined based on the public prices of the Controlled 1 Common Stock. The value of the Distributing 1 Debt would be determined based on objective standards agreed upon by Distributing 1 and the financial institution. Distributing 1 further expects that the financial institutions would receive registration rights in connection with their receipt of the Retained Stock and will seek to sell in a public offering or otherwise the Retained Stock received in the Debt-for-Equity Exchange. The financial institutions may

enter into other arrangements with respect to the Distributing 1 Debt, but neither Distributing 1 nor any member of its affiliated group will be a party to such arrangements.

Representations

The following representations have been submitted with regard to the named transaction (or transactions):

A. *The Stock Transfer*

(a) The stock of the Sub 9 Subsidiaries (which includes Sub 13) is the sole property that Sub 2 will transfer to Sub 34, as determined for federal income tax purposes.

(b) There is no plan or intention to liquidate Sub 2, Sub 13 or Sub 24, and there is no plan or intention to engage in any transaction, including a sale or issuance of stock of Sub 13, Sub 24 or Sub 34, that would have the effect of causing Sub 2 not to be in control of Sub 13 or Sub 24 within the meaning of § 304(c).

(c) Sub 13 is not a passive foreign investment company within the meaning of § 1297.

(d) The stock of Sub 13 transferred to Sub 34 will not be subject to any liabilities, and no liabilities of Sub 2 will be assumed by Sub 34 pursuant to the Stock Transfer.

(e) Sub 2's tax basis in the stock of Sub 13 (as determined for federal income tax purposes) is equal to or less than the fair market value of such stock.

B. *The Distributing 5 Contribution and the Distributing 5 Distribution*

(f) The indebtedness owed by Controlled 5 to Distributing 5, if any, after the Distributing 5 Distribution will not constitute stock or securities.

(g) No part of the consideration to be distributed by Distributing 5 in the Distributing 5 Distribution will be received by Distributing 4, the sole shareholder of Distributing 5, as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 5.

(h) Neither Business F nor control of an entity conducting Business F was acquired during the five-year period ending on the date of the Distributing 5 Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part. Throughout the five-year period ending on the date of the Distributing 5 Distribution, subsidiaries of Controlled 5 have been the principal owner of the goodwill and significant assets of Business F and Controlled 5, directly and

through its subsidiaries, will continue to be such owner following the Distributing 5 Distribution.

(i) Neither Business G nor control of an entity conducting Business G was acquired during the five-year period ending on the date of the Distributing 5 Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part. Throughout the five-year period ending on the date of the Distributing 5 Distribution, Distributing 5 directly and through its subsidiaries has been the principal owner of the goodwill and significant assets of Business G and Distributing 5, directly and through its subsidiaries will continue to be such owner following the Distributing 5 Distribution.

(j) The five years of financial information submitted on behalf of Distributing 5 is representative of Distributing 5's and its relevant subsidiaries' present operations and, with regard to Distributing 5 and its relevant subsidiaries, there have been no substantial operational changes since the date of the last financial statements submitted.

(k) The five years of financial information submitted on behalf of Controlled 5 is representative of Controlled 5's and its relevant subsidiaries' present operations and, with regard to Controlled 5 and its relevant subsidiaries, there have been no substantial operational changes since the date of the last financial statements submitted.

(l) Following the Distributing 5 Distribution, Distributing 5 and Controlled 5, or members of their respective separate affiliated groups (within the meaning of § 355(b)(3)(B)), will each continue the active conduct of its business, independently and with their separate employees.

(m) The Distributing 5 Distribution will be carried out to facilitate the External Distribution and therefore is motivated, in whole or substantial part, by one or more corporate business purposes.

(n) The Distributing 5 Distribution is not being used principally as a device for the distribution of the earnings and profits of Distributing 5 or Controlled 5 or both.

(o) The total adjusted basis and the fair market value of the assets transferred to Controlled 5 by Distributing 5 in the Distributing 5 Contribution will equal or exceed the sum of (i) the total liabilities assumed (as determined under § 357(d)) by Controlled 5 and (ii) the total amount of money and other property (within the meaning of § 361(b)) (if any) received by Distributing 5 and transferred by it to its creditors and shareholders in connection with the plan of reorganization.

(p) The fair market value of the assets transferred by Distributing 5 to Controlled 5 in the Distributing 5 Contribution will equal or exceed the sum of: (i) the amount of any liabilities assumed (within the meaning of § 357(d)) by Controlled 5 in the Distributing 5 Contribution, (ii) the amount of any liabilities owed to Controlled 5 by Distributing 5 (if any) that are discharged or extinguished in connection with the Distributing 5 Contribution, and (iii) the amount of any cash and the fair market value of any property (other than stock and securities permitted to be received under § 361(a) without the recognition of gain) received by Distributing 5 from Controlled 5 in connection with the Distributing 5 Contribution. The fair market value of the assets of Controlled 5 will exceed the amount of its liabilities immediately after the Distributing 5 Distribution.

(q) Except for xx, any liabilities assumed by Controlled 5 (within the meaning of § 357(d)) in the Distributing 5 Contribution and any liabilities to which transferred assets in the Distributing 5 Contribution were subject were incurred in the ordinary course of business and are associated with the assets being transferred.

(r) No property will be transferred by Distributing 5 to Controlled 5 for which an investment credit allowed under § 47 has been or will be claimed.

(s) No intercorporate debt will exist between Distributing 5 (and its subsidiaries) and Controlled 5 (and its subsidiaries) at the time of, or after, the Distributing 5 Distribution, other than obligations arising in the ordinary course of business or obligations arising pursuant to the Intercompany Agreements.

(t) No indebtedness between Distributing 5 (and its subsidiaries) and Controlled 5 (and its subsidiaries) has been or will be settled or cancelled in connection with the Distributing 5 Distribution other than the settlement of intercompany loans and intercompany open account balances attributable to the normal business operations of Distributing 5 and its subsidiaries prior to the Distributing 5 Distribution.

(u) Payments made in connection with all continuing transactions, if any, between Distributing 5 (and its subsidiaries) and Controlled 5 (and its subsidiaries) will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length, except (i) in the case of certain transitional services which will be charged at cost or at cost-plus, (ii) for the sublease of certain real property which is expected to be on terms similar to those contained in the primary lease agreement for such real property and (iii) for certain intellectual property agreements which will be on a royalty-free basis.

(v) No two parties to the proposed transactions are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

(w) The Distributing 5 Distribution is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more

persons will acquire, directly or indirectly, stock representing a 50% or greater interest (within the meaning of § 355(d)(4)) in Distributing 5 or Controlled 5 (including any predecessor or successor of any such corporation).

(x) Except for certain specified costs and expenses, Distributing 1 will pay all expenses incurred in connection with the Distributing 5 Contribution and the Distributing 5 Distribution.

(y) For purposes of § 355(d), immediately after the Distributing 5 Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Distributing 5 stock entitled to vote, or 50% or more of the total value of shares of all classes of Distributing 5 stock, that was acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 5 Distribution.

(z) For purposes of § 355(d), immediately after the Distributing 5 Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Controlled 5 stock entitled to vote, or 50% or more of the total value of shares of all classes of Controlled 5 stock, that was either (i) acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 5 Distribution or (ii) attributable to distributions on Distributing 5 stock or securities that were acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 5 Distribution.

(aa) Immediately following the Distributing 5 Distribution (taking into account § 355(g)(4)), (i) neither Distributing 5 nor Controlled 5 will be a disqualified investment corporation (within the meaning of § 355(g)(2)) and (ii) no person will hold a 50% or greater interest in any disqualified investment corporation (within the meaning of § 355(g)(2)) immediately after the Distributing 5 Distribution who did not so hold, directly or indirectly, such interest immediately before the transaction.

(bb) Distributing 5 is, and both Distributing 5 and Controlled 5 will be, a controlled foreign corporation, within the meaning of § 957(a), immediately before and after the Distributing 5 Contribution and the Distributing 5 Distribution.

(cc) At all times before and immediately after the Distributing 5 Contribution and the Distributing 5 Distribution, neither Distributing 5 nor Controlled 5 has been or will be a passive foreign investment company within the meaning of § 1297(a).

(dd) Distributing 4 will be a § 1248 shareholder (within the meaning of § 1.367(b)-2(b)), with respect to each of Distributing 5 and Controlled 5 immediately before and after the Distributing 5 Distribution.

(ee) Distributing 5's transfer of assets to Controlled 5 in actual or constructive exchange for Controlled 5 stock in the Distributing 5 Contribution is not an exchange described in §§ 1.367(b)-4(b)(1)(i), 1.367(b)-4(b)(2)(i) or 1.367(b)-4(b)(3).

(ff) The notice requirements of § 1.367(b)-1(c) will be satisfied for the Distributing 5 Contribution and the Distributing 5 Distribution.

(gg) The Distributing 5 Contribution and the Distributing 5 Distribution will not include any transfer of stock of any corporation that has been a U.S. transferor, the transferee foreign corporation, or the transferred corporation with respect to any unexpired "gain recognition agreement" within the meaning of §§ 1.367(a)-3, 1.367(a)-8 and 1.367(a)-8T.

(hh) Following the Distributing 5 Distribution, Distributing 4 will compute its pre-distribution and post-distribution amount with respect to Distributing 5 and Controlled 5, as defined under §§ 1.367(b)-5(e)(1) and (2). To the extent the pre-distribution amount exceeds the post-distribution amount with respect to either Distributing 5 or Controlled 5, Distributing 4 will make basis adjustments and recognize income (if any), as required under the applicable Treasury regulations.

C. *The Sub 8 Conversion*

(ii) Distributing 3, on the date of the adoption of the plan of complete liquidation of Sub 8 into Distributing 3, and at all times until the final liquidating distribution is completed, will be the owner of at least 80% of the single outstanding class of Sub 8 stock.

(jj) No shares of Sub 8 stock will have been redeemed during the three years preceding the adoption of the plan of complete liquidation of Sub 8.

(kk) All distributions from Sub 8 to Distributing 3 pursuant to the plan of complete liquidation will be made within a single taxable year of Sub 8.

(ll) As soon as the first liquidating distribution occurs, Sub 8 will cease to be a going concern and its activities will be limited to winding up its affairs, paying its debts, and distributing its remaining assets to Distributing 3, its sole shareholder.

(mm) Sub 8 will retain no assets following its final liquidating distribution.

(nn) Sub 8 will not have acquired assets in any nontaxable transaction at any time, except for acquisitions in the ordinary course of business, acquisitions occurring more than three years before the date of the adoption of the plan of complete

liquidation of Sub 8 and certain assets contributed in or about Date 6 by Distributing 3 in a transaction described by § 351.

(oo) Except in connection with the Distributing 3 Contribution, no assets of Sub 8 have been, or will be, disposed of by either Sub 8 or Distributing 3, except for dispositions in the ordinary course of business, transfers within the controlled group, dispositions occurring more than three years before the adoption of the plan of complete liquidation of Sub 8 and transfers of certain miscellaneous assets to subsidiaries of Distributing 1.

(pp) Except in connection with the Distributing 3 Contribution, the liquidation of Sub 8 will not be preceded or followed by the reincorporation in, or transfer or sale to, a recipient corporation (Recipient) of any of the businesses or assets of Sub 8, if persons holding, directly or indirectly, more than 20% in value of the Sub 8 stock also hold, directly or indirectly, more than 20% in value of the stock in Recipient. For purposes of this representation, ownership will be determined by application of the constructive ownership rule of § 318(a) as modified by § 304(c)(3).

(qq) The assets held by Sub 8 at the time of the Sub 8 Conversion being transferred to Controlled 3 in connection with the Distributing 3 Contribution will represent less than ii% of the value of Sub 8 assets received by Distributing 3 in the Sub 8 Conversion.

(rr) Prior to the adoption of the plan of complete liquidation of Sub 8, no Sub 8 assets will have been distributed in kind, transferred or sold to Distributing 3, except for (i) transactions occurring in the ordinary course of business, (ii) transactions occurring more than three years before adoption of the plan of complete liquidation of Sub 8 and (iii) cash distributions made in Date 7 and Date 8 to enable Distributing 3 to provide for certain liabilities, aggregating approximately vv.

(ss) Sub 8 will report all earned income represented by assets that will be distributed to Distributing 3, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

(tt) The fair market value of Sub 8's assets will exceed its liabilities both at the date of the adoption of the plan of complete liquidation of Sub 8 and immediately before the time the first liquidating distribution is made.

(uu) On the date of the Sub 8 Conversion, other than obligations arising in the ordinary course of business, there will be no intercorporate debt existing between Distributing 3 and Sub 8 and none will have been cancelled, forgiven, or discounted, except for transactions that occurred more than three years before the date of adoption of the liquidation plan.

(vv) Distributing 3 is not an organization that is exempt from federal income tax under § 501 or any other provision of the Code.

(ww) All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, the Sub 8 Conversion have been fully disclosed.

D. The Distributing 4 Contribution and the Distributing 4 Distribution

(xx) The indebtedness owed by Controlled 4 to Distributing 4, if any, after the Distributing 4 Distribution will not constitute stock or securities.

(yy) No part of the consideration to be distributed by Distributing 4 in the Distributing 4 Distribution will be received by either Distributing 3 or Distributing 2, the shareholders of Distributing 4, as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 4.

(zz) Neither Business F nor control of an entity conducting Business F was acquired during the five-year period ending on the date of the Distributing 4 Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part. Throughout the five-year period ending on the date of the Distributing 4 Distribution, subsidiaries of Distributing 4 have been the principal owner of the goodwill and significant assets of Business F and Distributing 4, through its subsidiaries, will continue to be such owner following the Distributing 4 Distribution.

(aaa) Neither Business G nor control of an entity conducting Business G was acquired during the five-year period ending on the date of the Distributing 4 Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part. Throughout the five-year period ending on the date of the Distributing 4 Distribution, subsidiaries of Controlled 4 have been the principal owner of the goodwill and significant assets of Business G and Controlled 4, through its subsidiaries, will continue to be such owner following the Distributing 4 Distribution.

(bbb) The five years of financial information submitted on behalf of Distributing 4 is representative of Distributing 4's and its relevant subsidiaries' present operations and, with regard to Distributing 4 and its relevant subsidiaries, there have been no substantial operational changes since the date of the last financial statements submitted.

(ccc) The five years of financial information submitted on behalf of Controlled 4 is representative of Controlled 4's and its relevant subsidiaries' present operations and, with regard to Controlled 4 and its relevant subsidiaries, there have been no substantial operational changes since the date of the last financial statements submitted.

(ddd) Following the Distributing 4 Distribution, Distributing 4 and Controlled 4, or members of their respective separate affiliated groups (within the meaning of § 355(b)(3)(B)), will each continue the active conduct of its business, independently and with their separate employees.

(eee) The Distributing 4 Distribution will be carried out to facilitate the External Distribution and therefore is motivated, in whole or substantial part, by one or more corporate business purposes.

(fff) The Distributing 4 Distribution is not being used principally as a device for the distribution of the earnings and profits of Distributing 4 or Controlled 4 or both.

(ggg) The total adjusted basis and the fair market value of the assets transferred to Controlled 4 by Distributing 4 in the Distributing 4 Contribution will equal or exceed the sum of (i) the total liabilities assumed (as determined under § 357(d)) by Controlled 4 and (ii) the total amount of money and other property (within the meaning of § 361(b)) (if any) received by Distributing 4 and transferred by it to its creditors and shareholders in connection with the plan of reorganization.

(hhh) The fair market value of the assets transferred by Distributing 4 to Controlled 4 in the Distributing 4 Contribution will equal or exceed the sum of: (i) the amount of any liabilities assumed (within the meaning of § 357(d)) by Controlled 4 in the Distributing 4 Contribution, (ii) the amount of any liabilities owed to Controlled 4 by Distributing 4 (if any) that are discharged or extinguished in connection with the Distributing 4 Contribution, and (iii) the amount of any cash and the fair market value of any property (other than stock and securities permitted to be received under § 361(a) without the recognition of gain) received by Distributing 4 from Controlled 4 in connection with the Distributing 4 Contribution. The fair market value of the assets of Controlled 4 will exceed the amount of its liabilities immediately after the Distributing 4 Distribution.

(iii) Except for xx, any liabilities assumed by Controlled 4 (within the meaning of § 357(d)) in the Distributing 4 Contribution and any liabilities to which transferred assets in the Distributing 4 Contribution were subject were incurred in the ordinary course of business and are associated with the assets being transferred.

(jjj) No property will be transferred by Distributing 4 to Controlled 4 for which an investment credit allowed under § 47 will be claimed.

(kkk) No intercorporate debt will exist between Distributing 4 (and its subsidiaries) and Controlled 4 (and its subsidiaries) at the time of, or after, the Distributing 4 Distribution, other than obligations arising in the ordinary course of business or obligations arising pursuant to the Intercompany Agreements.

(III) No indebtedness between Distributing 4 (and its subsidiaries) and Controlled 4 (and its subsidiaries) has been or will be settled or cancelled in connection with the Distributing 4 Distribution other than the settlement of intercompany loans and intercompany open account balances attributable to the normal business operations of Distributing 4 and its subsidiaries prior to the Distributing 4 Distribution.

(mmm) Immediately before the External Distribution, items of income, gain, loss, deduction and credit will be taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597).

(nnn) Immediately before the Distributing 4 Distribution, Distributing 4 will not have an excess loss account (within the meaning of § 1.1502-19(a)(2)) in Controlled 4's stock.

(ooo) Payments made in connection with all continuing transactions, if any, between Distributing 4 (and its subsidiaries) and Controlled 4 (and its subsidiaries) will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length except in the case of certain transitional services which will be charged at cost or at cost-plus and for certain intellectual property agreements which will be on a royalty-free basis.

(ppp) No two parties to the proposed transactions are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

(qqq) The Distributing 4 Distribution is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire, directly or indirectly, stock representing a 50% or greater interest (within the meaning of § 355(d)(4)) in Distributing 4 or Controlled 4 (including any predecessor or successor of any such corporation).

(rrr) Except for certain specified costs and expenses, Distributing 1 will pay all expenses incurred in connection with the Distributing 4 Contribution and the Distributing 4 Distribution.

(sss) For purposes of § 355(d), immediately after the Distributing 4 Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Distributing 4 stock entitled to vote, or 50% or more of the total value of shares of all classes of Distributing 4 stock, that was acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 4 Distribution.

(ttt) For purposes of § 355(d), immediately after the Distributing 4 Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Controlled 4 stock entitled to vote, or 50% or more of the total value of shares of all classes of Controlled 4 stock, that was either (i) acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 4 Distribution or (ii) attributable to distributions on Distributing 4 stock or securities that were acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 4 Distribution.

(uuu) Immediately following the Distributing 4 Distribution (taking into account § 355(g)(4)), (i) neither Distributing 4 nor Controlled 4 will be a disqualified investment corporation (within the meaning of § 355(g)(2)) and (ii) no person will hold a 50% or greater interest in any disqualified investment corporation (within the meaning of § 355(g)(2)) immediately after the Distributing 4 Distribution who did not so hold, directly or indirectly, such interest immediately before the transaction.

(vvv) The Distributing 4 Contribution and the Distributing 4 Distribution will not include any transfer of stock of any corporation that has been a U.S. transferor, the transferee foreign corporation, or the transferred corporation with respect to any unexpired “gain recognition agreement” within the meaning of §§ 1.367(a)-3 and 1.367(a)-8, except that the gain recognition agreement entered into by Distributing 4 with respect to the transfer by Distributing 4 of the stock of Sub 24 to Distributing 5 on Date 9, will be terminated as a result of the Distributing 4 Contribution without further effect and Distributing 4 will enter into a new gain recognition agreement with respect thereto as provided by § 1.367(a)-8(k) and comply with the notification requirements thereunder.

E. *The Controlled 4 Contribution*

(www) No stock or securities will be issued (or deemed issued) for services rendered to or for the benefit of Distributing 5 in connection with the Controlled 4 Contribution.

(xxx) No stock or securities will be issued (or deemed issued) for indebtedness of Distributing 5 that is not evidenced by a security or for interest on indebtedness of Distributing 5 which accrued on or after the beginning of the holding period of the transferor for the debt.

(yyy) Controlled 4 will not transfer to Distributing 5 any accounts receivable, commissions due, patents, patent rights, copyrights, franchises, trademarks, trade names or know-how.

(zzz) Distributing 5 will report items which, but for the Controlled 4 Contribution, would have resulted in income or deduction to Controlled 4 in a period subsequent to the Controlled 4 Contribution and such items will constitute income or deductions to Distributing 5 when received or paid by it.

(aaaa) The Controlled 4 Contribution is not the result of the solicitation by a promoter, broker, or investment house.

(bbbb) Controlled 4 will not retain any rights in the property transferred to Distributing 5 in the Controlled 4 Contribution.

(cccc) No Distributing 5 stock will be received (or deemed received) in exchange for accounts receivable.

(dddd) There is no debt relating to the stock of Sub 24 being transferred in the Controlled 4 Contribution that is being assumed or to which the stock is subject.

(eeee) The adjusted basis and the fair market value of the assets to be transferred by Controlled 4 to Distributing 5 will, in each instance, be equal to or exceed the sum of the liabilities, if any, to be assumed by Distributing 5 (within the meaning of § 357(d)) and any liabilities to which the transferred assets are subject.

(ffff) The aggregate fair market value of the assets transferred by Controlled 4 to Distributing 5 will equal or exceed the aggregate adjusted bases of those assets.

(gggg) Except for xx, the liabilities of Controlled 4 to be assumed (within the meaning of § 357(d)) by Distributing 5, if any, were incurred in the ordinary course of business and are associated with the assets to be transferred.

(hhhh) There will be no indebtedness between Controlled 4 and Distributing 5 and there will be no indebtedness created in favor of Controlled 4 as a result of the Controlled 4 Contribution.

(iiii) The transfers and exchanges will occur under a plan agreed upon before the Controlled 4 Contribution in which the rights of the parties are defined.

(jjjj) All exchanges will occur on approximately the same date.

(kkkk) There is no plan or intention on the part of Distributing 5 to redeem or otherwise reacquire any of the stock of Distributing 5 to be issued (or deemed issued) in the Controlled 4 Contribution.

(llll) Taking into account any issuance of additional shares of Distributing 5 stock; any issuance of stock for services; the exercise of any Distributing 5 stock rights, warrants, or subscriptions; a public offering of Distributing 5; and the sale,

exchange, transfer by gift, or other disposition of any of the stock of Distributing 5 to be received (or deemed received) in the exchange, Controlled 4 will be in “control” of Distributing 5 within the meaning of § 368(c).

(mmmm) Controlled 4 will receive (or be deemed to have received) stock of Distributing 5 with a value approximately equal to the fair market value of the property transferred to Distributing 5. Distributing 5 will not transfer any other property to Controlled 4.

(nnnn) Distributing 5 will remain in existence and retain and use the property transferred to it in a trade or business.

(oooo) There is no plan or intention by Distributing 5 to dispose of the transferred assets received in the Controlled 4 Contribution other than in the normal course of business operations.

(pppp) Except for certain specified costs and expenses, Distributing 1 will pay all expenses incurred in connection with the Controlled 4 Contribution.

(qqqq) Distributing 5 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c).

(rrrr) Controlled 4 is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock of Distributing 5 received (or deemed received) in the exchange will not be used to satisfy the indebtedness of Controlled 4.

(ssss) Distributing 5 will not be a “personal service corporation” within the meaning of § 269A.

(tttt) Prior to and immediately after the Controlled 4 Contribution, Distributing 5 and Sub 24 will be controlled foreign corporations, within the meaning of § 957(a).

(uuuu) At all times before and immediately after the Controlled 4 Contribution, neither Distributing 5 nor Sub 24 has been or will be a passive foreign investment company within the meaning of § 1297(a).

(vvvv) Controlled 4 will be a § 1248 shareholder (within the meaning of § 1.367(b)-2(b)), with respect to each of Distributing 5 and Sub 24 immediately before and after the Controlled 4 Contribution.

(wwwv) Controlled 4's contribution of the stock of Sub 24 to Distributing 5 in exchange for Distributing 5 stock that will be issued (or deemed issued) in the Controlled 4 Contribution is not an exchange described in §§ 1.367(b)-4(b)(l)(i), 1.367(b)-4(b)(2)(i), or 1.367(b)-4(b)(3).

(xxxx) The notice requirements of § 1.367(b)-1(c) will be satisfied for the Controlled 4 Contribution.

(yyyy) Controlled 4 will enter into a gain recognition agreement, satisfying the requirements of § 1.367(a)-8, with respect to the transfer by Controlled 4 of the stock of Sub 24 to Distributing 5 in the Controlled 4 Contribution.

F. *The Distributing 3 Contribution and Distributing 3 A Distribution*

(zzzz) The indebtedness owed by Controlled 3 to Distributing 3, if any, after the Distributing 3 A Distribution will not constitute stock or securities.

(aaaaa) No part of the consideration to be distributed by Distributing 3 with respect to Distributing 3 common stock will be received by Distributing 1, the sole shareholder of Distributing 3, as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 3.

(bbbbb) Neither Business H nor control of an entity conducting Business H was acquired during the five-year period ending on the date of the Distributing 3 A Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part. Throughout the five-year period ending on the date of the Distributing 3 A Distribution, subsidiaries of Distributing 3 have been the principal owner of the goodwill and significant assets of Business H and Distributing 3 will continue to be such owner following the Distributing 3 A Distribution.

(ccccc) Neither Business I nor control of an entity conducting Business I was acquired during the five-year period ending on the date of the Distributing 3 A Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part. Throughout the five-year period ending on the date of the Distributing 3 A Distribution, subsidiaries of Distributing 3 have been the principal owner of the goodwill and significant assets of Business I and Controlled 3, directly and through its subsidiaries, will continue to be such owner following the Distributing 3 A Distribution.

(ddddd) The five years of financial information submitted on behalf of Distributing 3 is representative of Business H's present operations and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(eeeeee) The five years of financial information submitted on behalf of Controlled 3 is representative of Business I's present operations and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(fffff) Following the Distributing 3 A Distribution, Distributing 3 and Controlled 3, or members of their respective separate affiliated groups (within the meaning § 355(b)(3)(B)), will each continue the active conduct of its business, independently and with their separate employees.

(ggggg) The Distributing 3 A Distribution will be carried out to facilitate the External Distribution and therefore is motivated, in whole or substantial part, by one or more corporate business purposes.

(hhhhh) The Distributing 3 A Distribution is not being used principally as a device for the distribution of the earnings and profits of Distributing 3 or Controlled 3 or both.

(iiiiii) The total adjusted basis and the fair market value of the assets transferred to Controlled 3 by Distributing 3 in the Distributing 3 Contribution will equal or exceed the sum of (i) the total liabilities assumed (as determined under § 357(d)) by Controlled 3 and (ii) the total amount of money and other property (within the meaning of § 361(b)) (if any) received by Distributing 3 and transferred by it to its creditors and shareholders in connection with the plan of reorganization.

(jjjjj) The fair market value of the assets transferred by Distributing 3 to Controlled 3 in the Distributing 3 Contribution will equal or exceed the sum of: (i) the amount of any liabilities assumed (within the meaning of § 357(d)) by Controlled 3 in the Distributing 3 Contribution, (ii) the amount of any liabilities owed to Controlled 3 by Distributing 3 (if any) that are discharged or extinguished in connection with the Distributing 3 Contribution, and (iii) the amount of any cash and the fair market value of any property (other than stock and securities permitted to be received under § 361(a) without the recognition of gain) received by Distributing 3 from Controlled 3 in connection with the Distributing 3 Contribution. The fair market value of the assets of Controlled 3 will exceed the amount of its liabilities immediately after the Distributing 3 A Distribution.

(kkkkk) Except for xx, any liabilities assumed by Controlled 3 (within the meaning of § 357(d)) in the Distributing 3 Contribution and any liabilities to which the transferred assets in the Distributing 3 Contribution were subject were incurred in the ordinary course of business and are associated with the assets being transferred.

(lllll) No property will be transferred by Distributing 3 to Controlled 3 for which an investment credit allowed under § 47 will be claimed.

(mmmmm) No intercorporate debt will exist between Distributing 3 and Controlled 3 at the time of, or after, the Distributing 3 A Distribution, other than obligations arising in the ordinary course of business or obligations arising pursuant to the Intercompany Agreements.

(nnnnn) No indebtedness between Distributing 3 (and its subsidiaries) and Controlled 3 (and its subsidiaries) has been or will be settled or cancelled in connection with the Distributing 3 A Distribution other than the settlement of intercompany loans and intercompany open account balances attributable to the normal business operations of Distributing 3 and its subsidiaries prior to the Distributing 3 A Distribution.

(ooooo) Immediately before the External Distribution, items of income, gain, loss, deduction and credit will be taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597).

(ppppp) Immediately before the Distributing 3 A Distribution, Distributing 3 will not have an excess loss account (within the meaning of § 1.1502-19(a)(2)) in Controlled 3's stock.

(qqqqq) Payments made in connection with all continuing transactions, if any, between Distributing 3 (and its subsidiaries) and Controlled 3 (and its subsidiaries) will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length except (i) in the case of certain transitional services which will be charged at cost or cost-plus, (ii) the sublease of certain real property which is expected to be on terms similar to those of the primary lease agreement for such real property and (iii) for certain intellectual property agreements which will be on a royalty-free basis.

(rrrrr) No two parties to the proposed transactions are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

(sssss) The Distributing 3 A Distribution is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50% or greater interest (within the meaning of § 355(d)(4)) in Distributing 3 or Controlled 3 (including any predecessor or successor of any such corporation).

(ttttt) Except for certain specified costs and expenses, Distributing 1 will pay all expenses incurred in connection with the Distributing 3 Contribution and Distributing 3 A Distribution.

(uuuuu) For purposes of § 355(d), immediately after the Distributing 3 A Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Distributing 3 stock entitled to vote, or 50% or more of the total value of shares of all classes of Distributing 3 stock, that was acquired by purchase (within the meaning of §§ 355(d)(5)

and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 3 A Distribution.

(vvvvv) For purposes of § 355(d), immediately after the Distributing 3 A Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Controlled 3 stock entitled to vote, or 50% or more of the total value of shares of all classes of Controlled 3 stock, that was either (i) acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 3 A Distribution or (ii) attributable to distributions on Distributing 3 stock or securities that were acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 3 A Distribution.

(wwwww) Immediately following the Distributing 3 A Distribution (taking into account § 355(g)(4)), (i) neither Distributing 3 nor Controlled 3 will be a disqualified investment corporation (as defined by § 355(g)(2)) and (ii) no person will hold a 50% or greater interest in any disqualified investment corporation (as defined by § 355(g)(2)) immediately after the transaction who did not so hold, directly or indirectly, such interest immediately before the transaction.

G. *The Distributing 3 B Distribution*

(xxxxx) The indebtedness owed by Controlled 4 to Distributing 3, if any, after the Distributing 3 B Distribution will not constitute stock or securities.

(yyyyy) No part of the consideration to be distributed by Distributing 3 with respect to Distributing 3 common stock will be received by Distributing 1, the sole shareholder of Distributing 3, as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 3.

(zzzzz) Neither Business H nor control of an entity conducting Business H was acquired during the five-year period ending on the date of the Distributing 3 B Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part. Throughout the five-year period ending on the date of the Distributing 3 B Distribution, subsidiaries of Distributing 3 have been the principal owner of the goodwill and significant assets of Business H and Distributing 3 will continue to be such owner following the Distributing 3 B Distribution.

(aaaaa) Neither Business G nor control of an entity conducting Business G was acquired during the five-year period ending on the date of the Distributing 3 B Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part. Throughout the five-year period ending on the date of the Distributing 3 B Distribution, subsidiaries of Controlled 4 have been the principal owner of the goodwill and significant assets of Business G and Controlled 4,

through its subsidiaries, will continue to be such owner following the Distributing 3 B Distribution.

(bbbbbb) The five years of financial information submitted on behalf of Distributing 3 is representative of Business H present operations and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(ccccc) The five years of financial information submitted on behalf of Controlled 4 is representative of Controlled 4's and its relevant subsidiaries' present operations and, with regard to Controlled 4 and its relevant subsidiaries, there have been no substantial operational changes since the date of the last financial statements submitted.

(ddddd) Following the Distributing 3 B Distribution, Distributing 3 and Controlled 4, or members of their respective separate affiliated groups (within the meaning § 355(b)(3)(B)), will each continue the active conduct of its business, independently and with their separate employees.

(eeeeee) The Distributing 3 B Distribution will be carried out to facilitate the External Distribution and therefore is motivated, in whole or substantial part, by one or more corporate business purposes.

(fffff) The Distributing 3 B Distribution is not being used principally as a device for the distribution of the earnings and profits of Distributing 3 or Controlled 4 or both.

(gggggg) No intercorporate debt will exist between Distributing 3 and Controlled 4 at the time of, or after, the Distributing 3 B Distribution, other than obligations arising in the ordinary course of business or obligations arising pursuant to the Intercompany Agreements.

(hhhhh) No indebtedness between Distributing 3 (and its subsidiaries) and Controlled 4 (and its subsidiaries) has been or will be settled or cancelled in connection with the Distributing 3 B Distribution other than the settlement of intercompany loans and intercompany open account balances attributable to the normal business operations of Distributing 3 and its subsidiaries prior to the Distributing 3 B Distribution.

(iiiiii) Immediately before the External Distribution, items of income, gain, loss, deduction and credit will be taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597).

(jjjjj) Immediately before the Distributing 3 B Distribution, Distributing 3 will not have an excess loss account (within the meaning of § 1.1502-19(a)(2)) in Controlled 4's stock.

(kkkkkk) Payments made in connection with all continuing transactions, if any, between Distributing 3 (and its subsidiaries) and Controlled 4 (and its subsidiaries) will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length except in the case of certain transitional services which will be charged at cost or at cost-plus and for certain intellectual property agreements which will be on a royalty-free basis.

(lllll) The Distributing 3 B Distribution is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50% or greater interest (within the meaning of § 355(d)(4)) in Distributing 3 or Controlled 4 (including any predecessor or successor of any such corporation).

(mmmmm) For purposes of § 355(d), immediately after the Distributing 3 B Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Distributing 3 stock entitled to vote, or 50% or more of the total value of shares of all classes of Distributing 3 stock, that was acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 3 B Distribution.

(nnnnn) For purposes of § 355(d), immediately after the Distributing 3 B Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Controlled 4 stock entitled to vote, or 50% or more of the total value of shares of all classes of Controlled 4 stock, that was either (i) acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 3 B Distribution or (ii) attributable to distributions on Distributing 3 stock or securities that were acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 3 B Distribution.

(ooooo) Immediately following the Distributing 3 B Distribution (taking into account § 355(g)(4)), (i) neither Distributing 3 nor Controlled 4 will be a disqualified investment corporation (as defined by § 355(g)(2)) and (ii) no person will hold a 50% or greater interest in any disqualified investment corporation (as defined by § 355(g)(2)) immediately after the transaction who did not so hold, directly or indirectly, such interest immediately before the transaction.

H. *The Sub 15 Conversion*

(pppppp) Distributing 2, on the date of the adoption of the plan of complete liquidation of Sub 15 into Distributing 2, and at all times until the final liquidating distribution is completed, will be the owner of at least 80% of the single outstanding class of Sub 15 stock.

(qqqqqq) No shares of Sub 15 stock will have been redeemed during the three years preceding the adoption of the plan of complete liquidation of Sub 15.

(rrrrrr) All distributions from Sub 15 to Distributing 2 pursuant to the plan of complete liquidation will be made within a single taxable year of Sub 15.

(ssssss) As soon as the first liquidating distribution occurs, Sub 15 will cease to be a going concern and its activities will be limited to winding up its affairs, paying its debts, and distributing its remaining assets to Distributing 2, its sole shareholder.

(tttttt) Sub 15 will retain no assets following its final liquidating distribution.

(uuuuuu) Sub 15 will not have acquired assets in any nontaxable transaction at any time, except for acquisitions in the ordinary course of business, acquisitions occurring more than three years before the date of the adoption of the plan of complete liquidation of Sub 15 and in connection with certain tax-free restructuring transactions involving Distributing 2.

(vvvvvv) Except in connection with the Distributing 2 Contribution, no assets of Sub 15 have been, or will be, disposed of by either Sub 15 or Distributing 2, except for dispositions in the ordinary course of business, transfers within the controlled group, and dispositions occurring more than three years before the adoption of the plan of complete liquidation of Sub 15.

(wwwwww) Except in connection with the Distributing 2 Contribution, the liquidation of Sub 15 will not be preceded or followed by the reincorporation in, or transfer or sale to, a recipient corporation (Recipient) of any of the businesses or assets of Sub 15, if persons holding, directly or indirectly, more than 20% in value of the Sub 15 stock also hold, directly or indirectly, more than 20% in value of the stock in Recipient. For purposes of this representation, ownership will be determined by application of the constructive ownership rule of § 318(a) as modified by § 304(c)(3).

(xxxxxx) The assets held by Sub 15 at the time of the Sub 15 Conversion being transferred to Controlled 2 in connection with the Distributing 2 Contribution will represent less than ww% of the value of Sub 15 assets received by Distributing 2 in the Sub 15 Conversion.

(yyyyyy) Prior to the adoption of the plan of complete liquidation of Sub 15, no Sub 15 assets will have been distributed in kind, transferred or sold to

Distributing 2, except for (i) transactions occurring in the ordinary course of business and (ii) transactions occurring more than three years before adoption of the plan of complete liquidation of Sub 15.

(zzzzzz) Sub 15 will report all earned income represented by assets that will be distributed to Distributing 2, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

(aaaaaaa) The fair market value of Sub 15's assets will exceed its liabilities both at the date of the adoption of the plan of complete liquidation of Sub 15 and immediately before the time the first liquidating distribution is made.

(bbbbbbb) On the date of the Sub 15 Conversion, other than obligations arising in the ordinary course of business, there will be no intercorporate debt existing between Distributing 2 and Sub 15 and none will have been cancelled, forgiven, or discounted, except for transactions that occurred more than three years before the date of adoption of the liquidation plan.

(ccccccc) Distributing 2 is not an organization that is exempt from federal income tax under § 501 or any other provision of the Code.

(ddddddd) All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, the Sub 15 Conversion have been fully disclosed.

I. *The Sub 7 Conversion*

(eeeeeee) Distributing 1, on the date of the adoption of the plan of complete liquidation of Sub 7 into Distributing 1, and at all times until the final liquidating distribution is completed, will be the owner of at least 80% of the single outstanding class of Sub 7 stock.

(ffffff) No shares of Sub 7 stock will have been redeemed during the three years preceding the adoption of the plan of complete liquidation of Sub 7.

(ggggggg) All distributions from Sub 7 to Distributing 1 pursuant to the plan of complete liquidation will be made within a single taxable year of Sub 7.

(hhhhhhh) As soon as the first liquidating distribution occurs, Sub 7 will cease to be a going concern and its activities will be limited to winding up its affairs, paying its debts, and distributing its remaining assets to Distributing 1, its sole shareholder.

(iiiiiii) Sub 7 will retain no assets following its final liquidating distribution.

(jjjjjjj) Sub 7 will not have acquired assets in any nontaxable transaction at any time, except for acquisitions in the ordinary course of business, acquisitions occurring more than three years before the date of the adoption of the plan of complete liquidation of Sub 7 and in connection with certain tax-free restructuring transactions involving Distributing 2 and certain liquidations of subsidiaries of Sub 7.

(kkkkkkk) Except in connection with the Distributing 1 Contribution, the Sub 7 Contribution and a distribution of certain assets as a dividend on Date 10 by Sub 7 to Distributing 1 (the "Sub 7 Dividend"), no assets of Sub 7 have been, or will be, disposed of by either Sub 7 or Distributing 1, except for dispositions in the ordinary course of business, transfers within the controlled group, and dispositions occurring more than three years before the adoption of the plan of complete liquidation of Sub 7.

(lllllll) Except in connection with the Distributing 1 Contribution, the Sub 7 Contribution and the contribution by Distributing 1 of the assets that comprised the Sub 7 Dividend to a wholly-owned subsidiary of Distributing 1, the liquidation of Sub 7 will not be preceded or followed by the reincorporation in, or transfer or sale to, a recipient corporation (Recipient) of any of the businesses or assets of Sub 7, if persons holding, directly or indirectly, more than 20% in value of the Sub 7 stock also hold, directly or indirectly, more than 20% in value of the stock in Recipient. For purposes of this representation, ownership will be determined by application of the constructive ownership rule of § 318(a) as modified by § 304(c)(3).

(mmmmmmm) The assets held by Sub 7 at the time of the Sub 7 Conversion being transferred to Controlled 1 in connection with the Distributing 1 Contribution or to Sub 43 in connection with the Sub 7 Contribution will represent less than ff% of the value of Sub 7 assets received by Distributing 1 in the Sub 7 Conversion.

(nnnnnnn) Prior to the adoption of the plan of complete liquidation of Sub 7, no Sub 7 assets will have been distributed in kind, transferred or sold to Distributing 1, except for (i) transactions occurring in the ordinary course of business, (ii) transactions occurring more than three years before adoption of the plan of complete liquidation of Sub 7 and (iii) the Sub 7 Dividend.

(ooooooo) Sub 7 will report all earned income represented by assets that will be distributed to Distributing 1, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

(ppppppp) The fair market value of Sub 7's assets will exceed its liabilities both at the date of the adoption of the plan of complete liquidation of Sub 7 and immediately before the time the first liquidating distribution is made.

(qqqqqqq) On the date of the Sub 7 Conversion, other than obligations arising in the ordinary course of business, there will be no intercorporate

debt existing between Distributing 1 and Sub 7 and none will have been cancelled, forgiven, or discounted, except for transactions that occurred more than three years before the date of adoption of the liquidation plan.

(rrrrrrr) Distributing 1 is not an organization that is exempt from federal income tax under § 501 or any other provision of the Code.

(sssssss) All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, the Sub 7 Conversion have been fully disclosed.

J. *The Distributing 2 Contribution and the Distributing 2 Distribution*

(ttttttt) Controlled 2 has elected to be treated as an entity taxed as a corporation pursuant to § 301.7701-3.

(uuuuuuu) The indebtedness owed by Controlled 2 to Distributing 2, if any, after the Distributing 2 Distribution will not constitute stock or securities.

(vvvvvvv) No part of the consideration to be distributed by Distributing 2 in the Distributing 2 Distribution will be received by Distributing 1 as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 2.

(wwwwwww) Neither Business E nor control of an entity conducting Business E was acquired during the five-year period ending on the date of the Distributing 2 Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part. Throughout the five-year period ending on the date of the Distributing 2 Distribution, Distributing 1, through its subsidiaries, has been the principal owner of the goodwill and significant assets of Business E and Distributing 2, directly and through its subsidiaries, will continue to be such owner following the Distributing 2 Distribution.

(xxxxxxx) Neither Business D nor control of an entity conducting Business D was acquired during the five-year period ending on the date of the Distributing 2 Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part. Throughout the five-year period ending on the date of the Distributing 2 Distribution, Distributing 1, through its subsidiaries, has been the principal owner of the goodwill and significant assets of Business D and Controlled 2, directly and through its subsidiaries, will continue to be such owner following the Distributing 2 Distribution.

(yyyyyyy) The five years of financial information submitted on behalf of Distributing 2 is representative of Distributing 2's and its relevant subsidiaries' present operations and, with regard to Distributing 2 and its relevant subsidiaries, there have

been no substantial operational changes since the date of the last financial statements submitted.

(zzzzzzzz) The five years of financial information submitted on behalf of Controlled 2 is representative of Controlled 2's and its relevant subsidiaries' present operations and, with regard to Controlled 2 and its relevant subsidiaries, there have been no substantial operational changes since the date of the last financial statements submitted.

(aaaaaaaa) Following the Distributing 2 Distribution, Distributing 2 and Controlled 2, or members of their respective separate affiliated groups (within the meaning of § 355(b)(3)(B)), will each continue the active conduct of its business, independently and with their separate employees.

(bbbbbbbbb) The Distributing 2 Distribution will be carried out to facilitate the External Distribution and therefore is motivated, in whole or substantial part, by one or more corporate business purposes.

(cccccccc) The Distributing 2 Distribution is not being used principally as a device for the distribution of the earnings and profits of Distributing 2 or Controlled 2 or both.

(dddddddd) The total adjusted basis and the fair market value of the assets transferred to Controlled 2 by Distributing 2 in the Distributing 2 Contribution will equal or exceed the sum of (i) the total liabilities assumed (as determined under § 357(d)) by Controlled 2 and (ii) the total amount of money and other property (within the meaning of § 361(b)) (if any) received by Distributing 2 and transferred by it to its creditors and shareholders in connection with the plan of reorganization.

(eeeeeeee) The fair market value of the assets transferred by Distributing 2 to Controlled 2 in the Distributing 2 Contribution will equal or exceed the sum of: (i) the amount of any liabilities assumed (within the meaning of § 357(d)) by Controlled 2 in the Distributing 2 Contribution, (ii) the amount of any liabilities owed to Controlled 2 by Distributing 2 (if any) that are discharged or extinguished in connection with the Distributing 2 Contribution, and (iii) the amount of any cash and the fair market value of any property (other than stock and securities permitted to be received under § 361(a) without the recognition of gain) received by Distributing 2 from Controlled 2 in connection with the Distributing 2 Contribution. The fair market value of the assets of Controlled 2 will exceed the amount of its liabilities immediately after the Distributing 2 Distribution.

(ffffff) Except for xx, any liabilities assumed by Controlled 2 (within the meaning of § 357(d)) in the Distributing 2 Contribution and any liabilities to which the transferred assets in the Distributing 2 Contribution were subject were incurred in the ordinary course of business and are associated with the assets being transferred.

(gggggggg) No property will be transferred by Distributing 2 to Controlled 2 for which an investment credit allowed under § 47 will be claimed.

(hhhhhhhh) No intercorporate debt will exist between Distributing 2 (and its subsidiaries) and Controlled 2 (and its subsidiaries) at the time of, or after, the Distributing 2 Distribution, other than obligations arising in the ordinary course of business or obligations arising pursuant to the Intercompany Agreements.

(iiiiiii) No indebtedness between Distributing 2 (and its subsidiaries) and Controlled 2 (and its subsidiaries) has been or will be settled or cancelled in connection with the Distributing 2 Distribution other than the settlement of intercompany loans and intercompany open account balances attributable to the normal business operations of Distributing 2 and its subsidiaries prior to the Distributing 2 Distribution.

(jjjjjjj) Immediately before the External Distribution, items of income, gain, loss, deduction and credit will be taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597).

(kkkkkkkk) Immediately before the Distributing 2 Distribution, Distributing 2 will not have an excess loss account (within the meaning of § 1.1502-19(a)(2)) in Controlled 2's stock.

(lllllll) Payments made in connection with all continuing transactions, if any, between Distributing 2 (and its subsidiaries) and Controlled 2 (and its subsidiaries) will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length except in the case of certain transitional services which will be charged at cost or at cost-plus and for certain intellectual property agreements which will be on a royalty-free basis.

(mmmmmmm) No two parties to the proposed transactions are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

(nnnnnnnn) The Distributing 2 Distribution is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire, directly or indirectly, stock representing a 50% or greater interest (within the meaning of § 355(d)(4)) in Distributing 2 or Controlled 2 (including any predecessor or successor of any such corporation).

(oooooooo) Except for certain specified costs and expenses, Distributing 1 will pay all expenses incurred in connection with the Distributing 2 Contribution and the Distributing 2 Distribution.

(pppppppp) For purposes of § 355(d), immediately after the Distributing 2 Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Distributing 2 stock entitled to vote, or 50% or more of the total value of shares of all classes of Distributing 2 stock, that was acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 2 Distribution.

(qqqqqqqq) For purposes of § 355(d), immediately after the Distributing 2 Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Controlled 2 stock entitled to vote, or 50% or more of the total value of shares of all classes of Controlled 2 stock, that was either (i) acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 2 Distribution or (ii) attributable to distributions on Distributing 2 stock or securities that were acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Distributing 2 Distribution.

(rrrrrrrr) Immediately following the Distributing 2 Distribution (taking into account § 355(g)(4)), (i) neither Distributing 2 nor Controlled 2 will be a disqualified investment corporation (within the meaning of § 355(g)(2)) and (ii) no person will hold a 50% or greater interest in any disqualified investment corporation (within the meaning of § 355(g)(2)) immediately after the Distributing 2 Distribution who did not so hold, directly or indirectly, such interest immediately before the transaction.

K. *The Sub 3 Conversion*

(ssssssss) Distributing 1, on the date of the adoption of the plan of complete liquidation of Sub 3 into Distributing 1, and at all times until the final liquidating distribution is completed, will be the owner of at least 80% of the single outstanding class of Sub 3 stock.

(tttttttt) No shares of Sub 3 stock will have been redeemed during the three years preceding the adoption of the plan of complete liquidation of Sub 3.

(uuuuuuuu) All distributions from Sub 3 to Distributing 1 pursuant to the plan of complete liquidation will be made within a single taxable year of Sub 3.

(vvvvvvvv) As soon as the first liquidating distribution occurs, Sub 3 will cease to be a going concern and its activities will be limited to winding up its affairs, paying its debts, and distributing its remaining assets to Distributing 1, its sole shareholder.

(wwwwwwww) Sub 3 will retain no assets following its final liquidating distribution.

(xxxxxxx) Sub 3 will not have acquired assets in any nontaxable transaction at any time, except for acquisitions in the ordinary course of business, and acquisitions occurring more than three years before the date of the adoption of the plan of complete liquidation of Sub 3.

(yyyyyyyy) No assets of Sub 3 have been, or will be, disposed of by either Sub 3 or Distributing 1, except for dispositions in the ordinary course of business, transfers within the controlled group, and dispositions occurring more than three years before the adoption of the plan of complete liquidation of Sub 3.

(zzzzzzzz) The liquidation of Sub 3 will not be preceded or followed by the reincorporation in, or transfer or sale to, a recipient corporation (Recipient) of any of the businesses or assets of Sub 3, if persons holding, directly or indirectly, more than 20% in value of the Sub 3 stock also hold, directly or indirectly, more than 20% in value of the stock in Recipient. For purposes of this representation, ownership will be determined by application of the constructive ownership rule of § 318(a) as modified by § 304(c)(3).

(aaaaaaaa) Prior to the adoption of the plan of complete liquidation of Sub 3, no Sub 3 assets will have been distributed in kind, transferred or sold to Distributing 1, except for (i) transactions occurring in the ordinary course of business and (ii) transactions occurring more than three years before adoption of the plan of complete liquidation of Sub 3.

(bbbbbbbbb) Sub 3 will report all earned income represented by assets that will be distributed to Distributing 1, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

(cccccccc) The fair market value of Sub 3's assets will exceed its liabilities both at the date of the adoption of the plan of complete liquidation of Sub 3 and immediately before the time the first liquidating distribution is made.

(dddddddd) On the date of the Sub 3 Conversion, other than obligations arising in the ordinary course of business, there will be no intercorporate debt existing between Distributing 1 and Sub 3 and none will have been cancelled, forgiven, or discounted, except for transactions that occurred more than three years before the date of adoption of the liquidation plan.

(eeeeeeee) Distributing 1 is not an organization that is exempt from federal income tax under § 501 or any other provision of the Code.

(ffffff) All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, the Sub 3 Conversion have been fully disclosed.

L. *The Distributing 1 Contribution and the External Distribution*

(ggggggggg) The indebtedness owed by Controlled 1 to Distributing 1, if any, after the External Distribution will not constitute stock or securities.

(hhhhhhhhh) No part of the consideration to be distributed by Distributing 1 with respect to Distributing 1 Common Stock will be received by any shareholder of Distributing 1 as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 1 (other than a shareholder holding restricted stock for which a § 83(b) election has not been made).

(iiiiiii) Neither Business H nor control of an entity conducting Business H was acquired during the five-year period ending on the date of the External Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part. Throughout the five-year period ending on the date of the External Distribution, subsidiaries of Distributing 1 have been the principal owner of the goodwill and significant assets of Business H and Distributing 1, through its subsidiaries, will continue to be such owner following the External Distribution.

(jjjjjjjjj) Neither Business I nor control of an entity conducting Business I was acquired during the five-year period ending on the date of the External Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part. Throughout the five-year period ending on the date of the External Distribution, subsidiaries of Controlled 1 have been the principal owner of the goodwill and significant assets of Business I and Controlled 1, through its subsidiaries, will continue to be such owner following the External Distribution.

(kkkkkkkkk) The five years of financial information submitted on behalf of Distributing 1 is representative of Business H's present operations and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(lllllllll) The five years of financial information submitted on behalf of Controlled 1 is representative of Business I's present operations and, with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(mmmmmmmmm) Following the External Distribution, Distributing 1 and Controlled 1, or members of their respective separate affiliated groups (as defined by § 355(b)(3)(B)), will each continue the active conduct of its business, independently and with their separate employees.

(nnnnnnnnnn) Following the External Distribution, each of Distributing 1 and Controlled 1 will have its own officers, directors and employees.

(oooooooooo) The External Distribution will be carried out for the following corporate business purposes: (i) reducing the competition for capital that currently exists between Business A and Business B, (ii) improving management “fit and focus,” including sharpening management focus and strategic vision, providing the flexibility needed to respond more effectively to customer needs and a changing economic environment, enhancing the success of the businesses by enabling them to resolve management, systemic or other problems that arise or are exacerbated by Distributing 1’s operation of Business A and Business B within a single affiliated group, and (iii) enhancing employee hiring, retention and morale by, among other things, improving the alignment of management and employee incentives with performance and growth objectives. The External Distribution is motivated, in whole or substantial part, by one or more of these corporate business purposes. Such purposes cannot be achieved through a non-taxable transaction that does not involve the External Distribution, the Distributing 5 Distribution, the Distributing 4 Distribution, the Distributing 3 A Distribution, the Distributing 3 B Distribution and the Distributing 2 Distribution which is neither impractical nor unduly expensive.

(pppppppppp) The External Distribution is not being used principally as a device for the distribution of the earnings and profits of Distributing 1 or Controlled 1 or both.

(qqqqqqqqqq) The total adjusted basis and the fair market value of the assets transferred to Controlled 1 by Distributing 1 in the Distributing 1 Contribution will equal or exceed the sum of (i) the total liabilities assumed (as determined under § 357(d)) by Controlled 1 and (ii) the total amount of money and other property (within the meaning of § 361(b)) (if any) received by Distributing 1 and transferred by it to its creditors and shareholders in connection with the plan of reorganization.

(rrrrrrrrrr) The fair market value of the assets transferred by Distributing 1 to Controlled 1 in the Distributing 1 Contribution will equal or exceed the sum of: (i) the amount of any liabilities assumed (within the meaning of § 357(d)) by Controlled 1 in the Distributing 1 Contribution, (ii) the amount of any liabilities owed to Controlled 1 by Distributing 1 (if any) that are discharged or extinguished in connection with the Distributing 1 Contribution, and (iii) the amount of any cash and the fair market value of any property (other than stock and securities permitted to be received under § 361(a) without the recognition of gain) received by Distributing 1 from Controlled 1 in connection with the Distributing 1 Contribution. The fair market value of the assets of Controlled 1 will exceed the amount of its liabilities immediately after the External Distribution.

(ssssssssss) Except for xx, any liabilities assumed by Controlled 1 (within the meaning of § 357(d)) in the Distributing 1 Contribution and any liabilities to which the

transferred assets in the Distributing 1 Contribution were subject were incurred in the ordinary course of business and are associated with the assets being transferred.

(tttttttt) No property will be transferred by Distributing 1 to Controlled 1 for which an investment credit allowed under § 47 will be claimed.

(uuuuuuuuu) No intercorporate debt will exist between Distributing 1 (and its subsidiaries) and Controlled 1 (and its subsidiaries) at the time of, or after, the External Distribution, other than obligations arising in the ordinary course of business or obligations arising pursuant to the Intercompany Agreements.

(vvvvvvvvv) No indebtedness between Distributing 1 (and its subsidiaries) and Controlled 1 (and its subsidiaries) has been or will be settled or cancelled in connection with the External Distribution other than the settlement of intercompany loans and intercompany open account balances attributable to the normal business operations of Distributing 1 and its subsidiaries prior to the External Distribution.

(wwwwwwwww) Immediately before the External Distribution, items of income, gain, loss, deduction and credit will be taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597).

(xxxxxxxxx) Immediately before the External Distribution, Distributing 1 will not have an excess loss account (within the meaning of § 1.1502-19(a)(2)) in Controlled 1's stock.

(yyyyyyyyy) Any excess loss account of Controlled 1 or any other member of the Distributing 1 affiliated group in the stock of another member of such group that is required to be taken into account by § 1.1502-19 will be included in income immediately before the External Distribution.

(zzzzzzzzz) Payments made in connection with all continuing transactions, if any, between Distributing 1 (and its subsidiaries) and Controlled 1 (and its subsidiaries) will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length except (i) in the case of certain transitional services which will be charged at cost or at cost-plus, (ii) for the sublease of certain real property which is expected to be on terms similar to those of the primary lease agreement for such real property and (iii) for certain intellectual property agreements which will be on a royalty-free basis.

(aaaaaaaaa) No two parties to the proposed transactions are investment companies as defined in § 368(a)(2)(F)(iii) and (iv).

(bbbbbbbbbb) The External Distribution is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire, directly or indirectly, stock representing a 50% or greater interest (within the meaning of § 355(d)(4)) in Distributing 1 or Controlled 1 (including any predecessor or successor of any such corporation).

(ccccccccc) Except for certain specified costs and expenses, Distributing 1 will pay all expenses incurred in connection with the Distributing 1 Contribution and the External Distribution. However, Distributing 1 will not pay any of its shareholders' expenses in connection with these transactions.

(dddddddddd) For purposes of § 355(d), immediately after the External Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Distributing 1 stock entitled to vote, or 50% or more of the total value of shares of all classes of Distributing 1 stock, that was acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the External Distribution.

(eeeeeeeeeee) For purposes of § 355(d), immediately after the External Distribution, no person (determined after applying § 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Controlled 1 stock entitled to vote, or 50% or more of the total value of shares of all classes of Controlled 1 stock, that was either (i) acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the External Distribution or (ii) attributable to distributions on Distributing 1 stock or securities that were acquired by purchase (within the meaning of §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the External Distribution.

(fffffffff) Immediately following the transaction (taking into account § 355(g)(4)), (i) neither Distributing 1 nor Controlled 1 will be a disqualified investment corporation (as defined by § 355(g)(2)) and (ii) no person will hold a 50% or greater interest in any disqualified investment corporation (as defined by § 355(g)(2)) immediately after the transaction who did not so hold, directly or indirectly, such interest immediately before the transaction.

(gggggggggg) Distributing 1 will use the Controlled 1 Cash Distribution to repay Distributing 1 Debt as promptly as practicable after the External Distribution and in no event later than one year after the External Distribution. Pending the repayment of Distributing 1 Debt, Distributing 1 will deposit the Controlled 1 Cash Distribution in a designated segregated account to be used solely for purposes of repayment of Distributing 1 Debt.

(hhhhhhhhhhh) The Distributing 1 Debt was incurred by Distributing 1 in the ordinary course of business to fund acquisitions and for general corporate purposes. The Distributing 1 Debt was not incurred by Distributing 1 in connection with, or in contemplation of, the Distributing 1 Contribution, the External Distribution or the Debt-for-Equity Exchange.

(iiiiiiiiiii) The Distributing 1 Contribution and the External Distribution will not include any transfer of stock of any corporation that has been a U.S. transferor, the transferee foreign corporation, or the transferred corporation with respect to any unexpired “gain recognition agreement” within the meaning of §§ 1.367(a)-3 and 1.367(a)-8, except that (i) the gain recognition agreement that will be entered into by Distributing 4 with respect to its transfer of the stock of Distributing 5 to Controlled 4 will be terminated as a result of the External Distribution without further effect and Controlled 1 will enter into a new gain recognition agreement with respect thereto as provided by § 1.367(a)-8(k) and comply with the notification requirements thereunder and (ii) the gain recognition agreement to be entered into by Controlled 4 with respect to the transfer by Controlled 4 of the stock of Sub 24 to Distributing 5 in the Controlled 4 Contribution will be terminated as a result of the External Distribution without further effect and Controlled 1 will enter into a new gain recognition agreement with respect thereto as provided by § 1.367(a)-8(k) and comply with the notification requirements thereunder.

(jjjjjjjjjj) Neither Distributing 1 nor Controlled 1 has been a United States real property holding company (“USRPHC”) (as defined in section 897(c)(2)) at any time during the 5-year period ending on the date of the External Distribution, and neither Distributing 1 nor Controlled 1 will be a USRPHC immediately after the External Distribution.

M. *The Retention*

(kkkkkkkkkk) The business purposes of the Retention are to facilitate the reduction of debt, to enhance liquidity and ensure investment grade ratings for both Distributing 1 and Controlled 1.

(llllllllll) The Retained Stock either will be (i) exchanged in Debt-for-Equity Exchanges which in no event will be completed later than uu months after the External Distribution or (ii) disposed of in the open market, in privately negotiated transactions or otherwise, or a combination of the foregoing, as soon as a disposition is warranted consistent with the business purposes of the Retention, but in any event not later than five years after the External Distribution.

(mmmmmmmmmm) Distributing 1 will vote the Retained Stock in proportion to the votes cast by Controlled 1’s other stockholders and will grant Controlled 1 a proxy with respect to such Retained Stock requiring such manner of voting.

(nnnnnnnnnn) The sum of the amount of Distributing 1 Debt exchanged for the Retained Stock in the Debt-for-Equity Exchanges and the amount of Distributing 1 Debt repaid with the proceeds of the Controlled 1 Cash Distribution will not exceed the weighted quarterly average of the Distributing 1 Debt owed to unrelated third parties at the close of business on the last full business day before the date on which the proposed divestiture of Controlled 1 was first presented to Distributing 1's board of directors.

N. *The Controlled 1 Contribution*

(oooooooooooo) No stock or securities will be issued (or deemed issued) for services rendered to or for the benefit of Controlled 3 in connection with the Controlled 1 Contribution.

(ppppppppppp) No stock or securities will be issued (or deemed issued) for indebtedness of Controlled 3 that is not evidenced by a security or for interest on indebtedness of Controlled 3 which accrued on or after the beginning of the holding period of Controlled 1 for the debt.

(qqqqqqqqqqq) Controlled 1 will not transfer to Controlled 3 any accounts receivable, commissions due, patents, patent rights, copyrights, franchises, trademarks, trade names or know-how.

(rrrrrrrrrrr) Controlled 3 will report items which, but for the Controlled 1 Contribution, would have resulted in income or deduction to Controlled 1 in a period subsequent to the Controlled 1 Contribution and such items will constitute income or deductions to Controlled 3 when received or paid by it.

(sssssssssss) The Controlled 1 Contribution is not the result of the solicitation by a promoter, broker, or investment house.

(ttttttttttt) Controlled 1 will not retain any rights in the property transferred to Controlled 3 in the Controlled 1 Contribution.

(uuuuuuuuuuu) No Controlled 3 stock will be received (or deemed received) in exchange for accounts receivable.

(vvvvvvvvvvv) There is no debt relating to the stock of Sub 1 being transferred in the Controlled 1 Contribution that is being assumed or to which the stock is subject.

(wwwwwwwwwww) The adjusted basis and the fair market value of the assets to be transferred by Controlled 1 to Controlled 3 will, in each instance, be equal to or exceed the sum of the liabilities to be assumed by Controlled 3 (within the meaning of § 357(d)) and any liabilities to which the transferred assets are subject.

(xxxxxxxxxx) The aggregate fair market value of the assets transferred by Controlled 1 to Controlled 3 will equal or exceed the aggregate adjusted bases of those assets.

(yyyyyyyyyyy) The liabilities of Controlled 1 to be assumed (within the meaning of § 357(d)) by Controlled 3 (if any) were incurred in the ordinary course of business and are associated with the assets to be transferred.

(zzzzzzzzzzz) There will be no indebtedness between Controlled 1 and Controlled 3 and there will be no indebtedness created in favor of Controlled 1 as a result of the Controlled 1 Contribution.

(aaaaaaaaaaa) The transfers and exchanges will occur under a plan agreed upon before the Controlled 1 Contribution in which the rights of the parties are defined.

(bbbbbbbbbbbbb) All exchanges will occur on approximately the same date.

(ccccccccccc) There is no plan or intention on the part of Controlled 3 to redeem or otherwise reacquire any of the stock of Controlled 3 that will be issued (or deemed issued) in the Controlled 1 Contribution.

(ddddddddddd) Taking into account any issuance of additional shares of Controlled 3 stock; any issuance of stock for services; the exercise of any Controlled 3 stock rights, warrants, or subscriptions; a public offering of Controlled 3; and the sale, exchange, transfer by gift, or other disposition of any of the stock of Controlled 3 to be received (or deemed received) in the exchange, Controlled 1 will be in "control" of Controlled 3 within the meaning of § 368(c).

(eeeeeeeeeee) Controlled 1 will receive (or be deemed to have received) stock of Controlled 3 with a value approximately equal to the fair market value of the property transferred to Controlled 3. Controlled 3 will not transfer any other property to Controlled 1.

(fffffffffff) Controlled 3 will remain in existence and retain and use the property transferred to it in a trade or business.

(ggggggggggg) There is no plan or intention by Controlled 3 to dispose of the transferred assets received in the Controlled 1 Contribution other than in the normal course of business operations.

(hhhhhhhhhhh) Except for certain specified costs and expenses, Distributing 1 will pay all expenses incurred in connection with the Controlled 1 Contribution.

(iiiiiiiiii) Controlled 3 will not be an investment company within the meaning of § 351(e)(1) and § 1.351-1(c).

(jjjjjjjjjj) Controlled 1 is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of § 368(a)(3)(A)) and the stock of Controlled 3 received (or deemed received) in the exchange will not be used to satisfy the indebtedness Controlled 1.

(kkkkkkkkkkkk) Controlled 3 will not be a “personal service corporation” within the meaning of § 269A.

Rulings

Based solely on the information submitted and representations made, we rule as follows regarding the following named transaction (or transactions):

A. The Stock Transfer

(1) The Stock Transfer will be treated as an acquisition of stock by a related corporation within the meaning of § 304(a)(1).

B. The Distributing 5 Contribution and the Distributing 5 Distribution

(2) The Distributing 5 Contribution, followed by the Distributing 5 Distribution, will be a reorganization under § 368(a)(1)(D). Distributing 5 and Controlled 5 will each be “a party to a reorganization” under § 368(b).

(3) Distributing 5 will not recognize any gain or loss on the Distributing 5 Contribution (§§ 361(a) and 357(a)).

(4) Controlled 5 will not recognize any gain or loss on the Distributing 5 Contribution (§ 1032(a)).

(5) Controlled 5’s basis in each asset received from Distributing 5 in the Distributing 5 Contribution will equal the basis of such asset in the hands of Distributing 5 immediately before its transfer (§ 362(b)).

(6) Controlled 5’s holding period in each asset received from Distributing 5 in the Distributing 5 Contribution will include the period during which Distributing 5 held the asset (§ 1223(2)).

(7) Distributing 4 will not recognize any gain or loss (and will not include any amount in income) upon receipt of the Controlled 5 shares in the Distributing 5 Distribution (§ 355(a)(1)).

(8) No gain or loss will be recognized by Distributing 5 on the Distributing 5 Distribution (§ 361(c)(1)).

(9) The aggregate basis of the Distributing 5 shares and the Controlled 5 shares held by Distributing 4 after the Distributing 5 Distribution will equal the aggregate basis of the Distributing 5 shares held by Distributing 4 immediately prior to the Distributing 5 Distribution, allocated between the Distributing 5 shares and the Controlled 5 shares in proportion to the fair market values of each immediately after the Distributing 5 Distribution in accordance with § 1.358-2(a)(2) (§ 358(a), (b), and (c)).

(10) The holding period of the Controlled 5 shares will include the holding period of the Distributing 5 shares with respect to which the distribution of the Controlled 5 shares is made, provided that the Distributing 5 shares are held by Distributing 4 as a capital asset on the date of the Distributing 5 Distribution (§ 1223(1)).

(11) Proper allocation of earnings and profits between Distributing 5 and Controlled 5 will be made in accordance with § 312(h), § 1.312-10(a) and § 1.1502-33(e)(3).

(12) The Distributing 5 Contribution will be an exchange to which §§ 1.367(b)-1(c) and 1.367(b)-4(a) apply.

(13) No amount will be included in income as a deemed dividend equal to the § 1248 amount under § 367(b) as a result of the Distributing 5 Contribution (§§ 1.367(b)-1(b) and 1.367(b)-4(b)).

(14) The Distributing 5 Distribution will be a distribution to which §§ 1.367(b)-1(c), 1.367(b)-5(a), and 1.367(b)-5(c) apply. If Distributing 4's post-distribution amount (as defined in § 1.367(b)-5(e)(2)) with respect to Distributing 5 or Controlled 5 is less than Distributing 4's pre-distribution amount (as defined in § 1.367(b)-5(e)(1)) with respect to Distributing 5 or Controlled 5, then Distributing 4's basis in such ordinary shares immediately after the distribution will be reduced by the amount of the difference. However, Distributing 4's basis in such ordinary shares will not be reduced below zero, and to the extent the foregoing reduction would reduce basis below zero, then Distributing 4 will instead include such amount in income as a deemed dividend from such corporation (see §§ 1.367(b)-5(c)(2) and 1.367(b)-5(f)). If Distributing 4 reduces its basis in the ordinary shares of Distributing 5 or Controlled 5 (or has an inclusion with respect to such ordinary shares), then Distributing 4 shall increase its basis in the ordinary shares of the other corporation to the extent provided in § 1.367(b)-5(c)(4).

C. The Sub 8 Conversion

(15) The Sub 8 Conversion will be treated as a complete liquidation of Sub 8 under § 332.

(16) No gain or loss will be recognized by Sub 8 on the Sub 8 Conversion (§ 337(a)).

(17) No gain or loss will be recognized by Distributing 3 on the Sub 8 Conversion (§ 332(a)).

(18) The basis of each asset received by Distributing 3 in the Sub 8 Conversion will equal the basis of that asset in the hands of Sub 8 immediately before the Sub 8 Conversion (§ 334(b)(1)).

(19) The holding period of each asset received by Distributing 3 in the Sub 8 Conversion will include the period during which Sub 8 held that asset (§ 1223(2)).

(20) Distributing 3 will succeed to and take into account the items of Sub 8 described in § 381(c), subject to the conditions and limitations specified in §§ 381, 382, 383 and 384 and the regulations thereunder (§ 381(a)(1) and § 1.381(a)-1).

(21) Except to the extent that Sub 8's earnings and profits are already reflected in Distributing 3's earnings and profits, Distributing 3 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub 8 as of the date of the Sub 8 Conversion. Any deficit in earnings and profits of Sub 8 or Distributing 3 will be used only to offset earnings and profits accumulated after the date of the Sub 8 Conversion (§ 381(c)(2) and § 1.381(c)(2)-1).

D. The Distributing 4 Contribution and the Distributing 4 Distribution

(22) The Distributing 4 Contribution, followed by the Distributing 4 Distribution, will be a reorganization under § 368(a)(1)(D). Distributing 4 and Controlled 4 will each be "a party to a reorganization" under § 368(b).

(23) Distributing 4 will not recognize any gain or loss on the Distributing 4 Contribution (§§ 361(a) and 357(a)).

(24) Controlled 4 will not recognize any gain or loss on the Distributing 4 Contribution (§ 1032(a)).

(25) Controlled 4's basis in each asset received from Distributing 4 in the Distributing 4 Contribution will equal the basis of such asset in the hands of Distributing 4 immediately before its transfer (§ 362(b)).

(26) Controlled 4's holding period in each asset received from Distributing 4 in the Distributing 4 Contribution will include the period during which Distributing 4 held the asset (§ 1223(2)).

(27) Neither Distributing 3 nor Distributing 2 will recognize any gain or loss (nor will either of them include any amount in income) upon receipt of the Controlled 4 stock in the Distributing 4 Distribution (§ 355(a)(1)).

(28) No gain or loss will be recognized by Distributing 4 on the Distributing 4 Distribution (§ 361(c)(1)).

(29) The aggregate basis of the Distributing 4 common stock and the Controlled 4 common stock held by Distributing 3 after the Distributing 4 Distribution will equal the aggregate basis of the Distributing 4 common stock held by Distributing 3 immediately prior to the Distributing 4 Distribution, allocated between Distributing 4 common stock and Controlled 4 common stock in proportion to the fair market values of each immediately after the Distributing 4 Distribution in accordance with § 1.358-2(a)(2) (§ 358(a), (b), and (c)).

(30) The aggregate basis of the Controlled 4 stock held by Distributing 2 after the Distributing 4 Distribution will equal the aggregate basis of the Distributing 4 stock surrendered by Distributing 2 in the Distributing 4 Distribution (§ 358(a)).

(31) The holding period of the Controlled 4 common stock held by Distributing 3 after the Distributing 4 Distribution will include the holding period of the Distributing 4 common stock held by Distributing 3 with respect to which the distribution of the Controlled 4 common stock is made, provided that such Distributing 4 common stock is held by Distributing 3 as a capital asset on the date of the Distributing 4 Distribution (§ 1223(1)).

(32) The holding period of the Controlled 4 stock held by Distributing 2 after the Distributing 4 Distribution will include the holding period of the Distributing 4 stock exchanged therefor, provided that such Distributing 4 stock is held by Distributing 2 as a capital asset on the date of the Distributing 4 Distribution (§ 1223(1)).

(33) Proper allocation of earnings and profits between Distributing 4 and Controlled 4 will be made in accordance with § 312(h), § 1.312-10(a) and § 1.1502-33(e)(3).

(34) The earnings and profits of (i) Distributing 5, (ii) Sub 19, (iii) Sub 20, (iv) Sub 21, (v) Sub 22, (vi) Sub 23, (vii) Sub 24 and (viii) Sub 25, to the extent attributable to Distributing 4 under §§ 1.1248-2 or 1.1248-3 (whichever is applicable), that were accumulated in tax years of such foreign corporations beginning after December 31, 1962, and during the period in which such corporations were controlled foreign corporations, will be attributable to such stock held by Controlled 4 (§ 1.1248-1(a)(1)).

E. With Respect to the Controlled 4 Contribution

(35) Controlled 4 will not recognize any gain or loss on the Controlled 4 Contribution (§§ 351(a) and 357(a), and § 1.367(a)-3(b)(1)(ii)).

(36) Distributing 5 will not recognize any gain or loss on the Controlled 4 Contribution (§ 1032(a)).

(37) The Controlled 4 Contribution will be an exchange to which §§ 1.367(a)-3(b)(1)(ii), 1.367(b)-1(c) and 1.367(b)-4(a) apply.

(38) No amount will be included in income as a deemed dividend equal to the § 1248 amount under § 367(b) as a result of the Controlled 4 Contribution (§§ 1.367(b)-1(b) and 1.367(b)-4(b)).

F. The Distributing 3 Contribution and the Distributing 3 A Distribution

(39) The Distributing 3 Contribution, followed by the Distributing 3 A Distribution, will be a reorganization under § 368(a)(1)(D). Distributing 3 and Controlled 3 will each be “a party to a reorganization” under § 368(b).

(40) Distributing 3 will not recognize any gain or loss on the Distributing 3 Contribution (§§ 361(a) and 357(a)).

(41) Controlled 3 will not recognize any gain or loss on the Distributing 3 Contribution (§ 1032(a)).

(42) Controlled 3's basis in each asset received from Distributing 3 in the Distributing 3 Contribution will equal the basis of such asset in the hands of Distributing 3 immediately before its contribution to Controlled 3 (§ 362(b)).

(43) Controlled 3's holding period in each asset received from Distributing 3 in the Distributing 3 Contribution will include the period during which Distributing 3 held the asset (§ 1223(2)).

(44) Distributing 1 will not recognize any gain or loss (and will not include any amount in income) upon receipt of the Controlled 3 stock in the Distributing 3 A Distribution (§ 355(a)(1)).

(45) No gain or loss will be recognized by Distributing 3 on the Distributing 3 A Distribution (§ 361(c)(1)).

(46) The aggregate basis of the Distributing 3 stock, Controlled 3 stock and Controlled 4 stock held by Distributing 1 after the Distributing 3 A Distribution and the Distributing 3 B Distribution will equal the aggregate basis of the Distributing 3 stock held by Distributing 1 immediately prior to the Distributing 3 A Distribution and the Distributing 3 B Distribution, allocated among Distributing 3 stock, Controlled 3 stock and Controlled 4 stock in proportion to the fair market values of each immediately after

the Distributing 3 A Distribution and the Distributing 3 B Distribution in accordance with § 1.358-2(a)(2) (§ 358(a), (b), and (c)).

(47) The holding period of Controlled 3 stock will include the holding period of the Distributing 3 stock with respect to which the distribution of the Controlled 3 stock is made, provided that the Distributing 3 stock is held as a capital asset by Distributing 1 on the date of the Distributing 3 A Distribution (§ 1223(1)).

(48) Proper allocation of earnings and profits among Distributing 3, Controlled 3 and Controlled 4 will be made in accordance with § 312(h), § 1.312-10(b) and § 1.1502-33(e)(3).

(49) The earnings and profits of (i) Sub 19, (ii) Sub 20 and (iii) Sub 21, to the extent attributable to Distributing 3 under §§ 1.1248-2 or 1.1248-3 (whichever is applicable), that were accumulated in tax years of such foreign corporations beginning after December 31, 1962, and during the period in which such corporations were controlled foreign corporations, will be attributable to such stock held by Controlled 3 (§ 1.1248-1(a)(1)).

G. The Distributing 3 B Distribution

(50) Distributing 1 will not recognize any gain or loss (and will not include any amount in income) upon receipt of the Controlled 4 stock in the Distributing 3 B Distribution (§ 355(a)(1)).

(51) No gain or loss will be recognized by Distributing 3 on the Distributing 3 B Distribution (§ 355(c)(1)).

(52) The holding period of Controlled 4 stock will include the holding period of the Distributing 3 stock with respect to which the distribution of the Controlled 4 stock is made, provided that the Distributing 3 stock is held as a capital asset by Distributing 1 on the date of the Distributing 3 B Distribution (§ 1223(1)).

H. The Sub 15 Conversion

(53) The Sub 15 Conversion will be treated as a complete liquidation of Sub 15 under § 332.

(54) No gain or loss will be recognized by Sub 15 on the Sub 15 Conversion (§ 337(a)).

(55) No gain or loss will be recognized by Distributing 2 on the Sub 15 Conversion (§ 332(a)).

(56) The basis of each asset received by Distributing 2 in the Sub 15 Conversion will equal the basis of that asset in the hands of Sub 15 immediately before the Sub 15 Conversion (§ 334(b)(1)).

(57) The holding period of each asset received by Distributing 2 in the Sub 15 Conversion will include the period during which Sub 15 held that asset (§ 1223(2)).

(58) Distributing 2 will succeed to and take into account the items of Sub 15 described in § 381(c), subject to the conditions and limitations specified in §§ 381, 382, 383 and 384 and the regulations thereunder (§ 381(a)(1) and § 1.381(a)-1).

(59) Except to the extent that Sub 15's earnings and profits are already reflected in Distributing 2's earnings and profits, Distributing 2 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub 15 as of the date of the Sub 15 Conversion. Any deficit in earnings and profits of Sub 15 or Distributing 2 will be used only to offset earnings and profits accumulated after the date of the Sub 15 Conversion (§ 381(c)(2) and § 1.381(c)(2)-1).

I. The Sub 7 Conversion

(60) The Sub 7 Conversion will be treated as a complete liquidation of Sub 7 under § 332.

(61) No gain or loss will be recognized by Sub 7 on the Sub 7 Conversion (§ 337(a)).

(62) No gain or loss will be recognized by Distributing 1 on the Sub 7 Conversion (§ 332(a)).

(63) The basis of each asset received by Distributing 1 in the Sub 7 Conversion will equal the basis of that asset in the hands of Sub 7 immediately before the Sub 7 Conversion (§ 334(b)(1)).

(64) The holding period of each asset received by Distributing 1 in the Sub 7 Conversion will include the period during which Sub 7 held that asset (§ 1223(2)).

(65) Distributing 1 will succeed to and take into account the items of Sub 7 described in § 381(c), subject to the conditions and limitations specified in §§ 381, 382, 383 and 384 and the regulations thereunder (§ 381(a)(1) and § 1.381(a)-1).

(66) Except to the extent that Sub 7's earnings and profits are already reflected in Distributing 1's earnings and profits, Distributing 1 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub 7 as of the date of the Sub 7 Conversion. Any deficit in earnings and profits of Sub 7 or Distributing 1 will be used only to offset earnings and profits accumulated after the date of the Sub 7 Conversion (§ 381(c)(2) and § 1.381(c)(2)-1).

J. The Distributing 2 Contribution and the Distributing 2 Distribution

(67) The Distributing 2 Contribution, followed by the Distributing 2 Distribution, will be a reorganization under § 368(a)(1)(D). Distributing 2 and Controlled 2 will each be “a party to a reorganization” under § 368(b).

(68) Distributing 2 will not recognize any gain or loss on the Distributing 2 Contribution (§§ 361(a) and 357(a)).

(69) Controlled 2 will not recognize any gain or loss on the Distributing 2 Contribution (§ 1032(a)).

(70) Controlled 2's basis in each asset received from Distributing 2 in the Distributing 2 Contribution will equal the basis of such asset in the hands of Distributing 2 immediately before its contribution to Controlled 2 (§ 362(b)).

(71) Controlled 2's holding period in each asset received from Distributing 2 in the Distributing 2 Contribution will include the period during which Distributing 2 held such asset (§ 1223(2)).

(72) Distributing 1 will not recognize any gain or loss (nor will it include any amount in income) upon receipt of the Controlled 2 stock in the Distributing 2 Distribution (§ 355(a)(1)).

(73) No gain or loss will be recognized by Distributing 2 on the Distributing 2 Distribution (§ 361(c)(1)).

(74) The aggregate basis of the Distributing 2 common stock and the Controlled 2 common stock held by Distributing 1 after the Distributing 2 Distribution will equal the aggregate basis of the Distributing 2 common stock held by Distributing 1 immediately prior to the Distributing 2 Distribution, allocated between Distributing 2 common stock and Controlled 2 common stock in proportion to the fair market values of each immediately after the Distributing 2 Distribution in accordance with § 1.358-2(a)(2) (§ 358(a), (b), and (c)).

(75) The holding period of the Controlled 2 common stock held by Distributing 1 after the Distributing 2 Distribution will include the holding period of the Distributing 2 common stock held by Distributing 1 with respect to which the distribution of the Controlled 2 common stock is made, provided that such Distributing 2 common stock is held by Distributing 1 as a capital asset on the date of the Distributing 2 Distribution (§ 1223(1)).

(76) Proper allocation of earnings and profits between Distributing 2 and Controlled 2 will be made in accordance with § 312(h), § 1.312-10(a) and § 1.1502-33(e)(3).

K. The Sub 3 Conversion

(77) The Sub 3 Conversion will be treated as a complete liquidation of Sub 3 under § 332.

(78) No gain or loss will be recognized by Sub 3 on the Sub 3 Conversion (§ 337(a)).

(79) No gain or loss will be recognized by Distributing 1 on the Sub 3 Conversion (§ 332(a)).

(80) The basis of each asset received by Distributing 1 in the Sub 3 Conversion will equal the basis of that asset in the hands of Sub 3 immediately before the Sub 3 Conversion (§ 334(b)(1)).

(81) The holding period of each asset received by Distributing 1 in the Sub 3 Conversion will include the period during which Sub 3 held that asset (§ 1223(2)).

(82) Distributing 1 will succeed to and take into account the items of Sub 3 described in § 381(c), subject to the conditions and limitations specified in §§ 381, 382, 383 and 384 and the regulations thereunder (§ 381(a)(1) and § 1.381(a)-1).

(83) Except to the extent that Sub 3's earnings and profits are already reflected in Distributing 1's earnings and profits, Distributing 1 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub 3 as of the date of the Sub 3 Conversion. Any deficit in earnings and profits of Sub 3 or Distributing 1 will be used only to offset earnings and profits accumulated after the date of the Sub 3 Conversion (§ 381(c)(2) and § 1.381(c)(2)-1).

L. The Distributing 1 Contribution and the External Distribution

(84) The Distributing 1 Contribution, followed by the External Distribution, will be a reorganization under § 368(a)(1)(D). Distributing 1 and Controlled 1 will each be "a party to a reorganization" under § 368(b).

(85) Distributing 1 will not recognize any gain or loss on the Distributing 1 Contribution (§§ 361(a), 361(b)(1)(A), 361(b)(3) and 357(a)).

(86) Controlled 1 will not recognize any gain or loss on the Distributing 1 Contribution (§ 1032(a)).

(87) Controlled 1's basis in each asset received from Distributing 1 in the Distributing 1 Contribution will equal the basis of such asset in the hands of Distributing 1 immediately before its contribution to Controlled 1 (§ 362(b)).

(88) Controlled 1's holding period in each asset received from Distributing 1 in the Distributing 1 Contribution will include the period during which Distributing 1 held such asset (§ 1223(2)).

(89) The Distributing 1 shareholders will not recognize any gain or loss (and will not include any amount in income) upon receipt of the Controlled 1 Common Stock in the External Distribution (§ 355(a)(1)).

(90) No gain or loss will be recognized by Distributing 1 on the External Distribution (§ 361(c)(1)).

(91) The aggregate basis of the Distributing 1 Common Stock and Controlled 1 Common Stock held by each shareholder of Distributing 1 after the External Distribution will equal the aggregate basis of the Distributing 1 Common Stock held by such shareholder immediately prior to the External Distribution, allocated between Distributing 1 Common Stock and Controlled 1 Common Stock in proportion to the fair market values of each immediately after the External Distribution in accordance with § 1.358-2(a)(2) (§§ 358(a), (b), and (c)).

(92) The holding period of Controlled 1 Common Stock will include the holding period of the Distributing 1 Common Stock with respect to which the distribution of the Controlled 1 Common Stock is made, provided that the Distributing 1 Common Stock is held by a shareholder of Distributing 1 as a capital asset on the date of the External Distribution (§ 1223(1)).

(93) Proper allocation of earnings and profits between Distributing 1 and Controlled 1 will be made in accordance with § 312(h), § 1.312-10(b) and § 1.1502-33(e)(3).

(94) The earnings and profits of Sub 6, to the extent attributable to Distributing 1 under §§ 1.1248-2 or 1.1248-3 (whichever is applicable), that were accumulated in tax years of such foreign corporation beginning after December 31, 1962, and during the period in which such corporation was a controlled foreign corporation, will be attributable to such stock held by Controlled 1 (§ 1.1248-1(a)(1)).

M. The Retention

(95) The Retention by Distributing 1 of the Retained Stock as described herein will not adversely affect the External Distribution's qualification under § 355 and will not be in pursuance of a plan having as one of its principal purposes the avoidance of federal income tax within the meaning of § 355(a)(1)(D)(ii).

(96) No gain or loss will be recognized by Distributing 1 on any Debt-for-Equity Exchange to the extent Distributing 1 exchanges the Retained Stock for Distributing 1 Debt, whether in the manner described above or in an exchange directly with a historic

holder of Distributing 1 Debt other than (i) deductions attributable to the fact that the Distributing 1 Debt may be redeemed at a premium, (ii) income attributable to the fact that the Distributing 1 Debt may be redeemed at a discount and (iii) interest expense accrued with respect to the Distributing 1 Debt (§ 361(c)).

N. The Controlled 1 Contribution

(97) Controlled 1 will not recognize any gain or loss in the Controlled 1 Contribution (§§ 351(a) and 357(a)).

(98) Controlled 3 will not recognize any gain or loss in the Controlled 1 Contribution (§ 1032(a)).

Caveats

We express no opinion about the tax treatment of the Proposed Transactions under other provisions of the Code and regulations or the tax treatment of any conditions existing at the time of, or effects resulting from, the Proposed Transactions that are not specifically covered by the above rulings. In particular, no opinion is expressed regarding:

(i) whether the Distributing 5 Distribution, the Distributing 4 Distribution, the Distributing 3 Distribution, the Distributing 2 Distribution and the External Distribution each satisfies the business purpose requirement of § 1.355-2(b);

(ii) whether the Distributing 5 Distribution, the Distributing 4 Distribution, the Distributing 3 Distribution, the Distributing 2 Distribution and the External Distribution are being used principally as a device for the distribution of earnings and profits of either Distributing 5, Distributing 4, Distributing 3, Distributing 2, Distributing 1, Controlled 5, Controlled 4, Controlled 3, Controlled 2 or Controlled 1 or any combination thereof (see § 355(a)(1)(B) and § 1.355-2(d));

(iii) whether the Distributing 5 Distribution, the Distributing 4 Distribution, the Distributing 3 Distribution, the Distributing 2 Distribution and the External Distribution are part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50% or greater interest in Distributing 5, Distributing 4, Distributing 3, Distributing 2, Distributing 1, Controlled 5, Controlled 4, Controlled 3, Controlled 2 or Controlled 1 (see § 355(e) and § 1.355-7);

(iv) the federal income tax treatment of any continuing transactions between Distributing 1 and its subsidiaries and Controlled 1 and its subsidiaries that will be provided at cost or cost-plus or on a royalty-free basis, including the potential application of § 482 to these transactions;

(v) the federal income tax consequences of the transactions described in steps (ii), (iii), (iv), (v), (vi), (vii), (viii), (xvi), (xix) and (xxv), except as provided herein;

(vi) to the extent not otherwise specifically ruled upon above, the adjustments to earnings and profits or deficits in earnings and profits, if any, in any of the transactions to which § 367 applies.

(vii) to the extent not otherwise specifically ruled upon above, any other consequences under § 367 on any internal restructuring transaction in this ruling letter, and

(viii) whether any or all of the above-referenced foreign corporations are PFICs within the meaning of § 1297(a). If it is determined that any such corporations are PFICs, no opinion is expressed with respect to the application of §§ 1291 through 1298 to the Proposed Transactions. In particular, in a transaction in which gain is not otherwise recognized, regulations under § 1291(f) may require gain recognition notwithstanding any other provisions of the Code.

Procedural Matters

This ruling letter is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, any taxpayer filing its return electronically may satisfy this requirement by attaching a statement to the return that provides the date and control number of this letter ruling.

In accordance with a power of attorney on file in this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

Richard K. Passales
Senior Counsel, Branch 4
Office of Associate Chief Counsel
(Corporate)